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Daily Report

China

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7 April 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Article Views U.S.-Russian Vancouver Summit

HK0704034393 Beijing RENMIN RIBAO in Chinese
3 Apr 93 p 6

["Roundup" from Washington on 2 April by staff reporter Bao Shishao (7637 0013 4801): "Prospects of the U.S.-Russian Summit in Vancouver"]

[Text] From 3 to 4 April U.S. President Bill Clinton and Russian President Boris Yeltsin will meet in Vancouver, Canada. This will be the first contact between the top leaders of the United States and Russia since Clinton took over the office of President, and will be a meeting to take place when the Russian political situation is drastically turbulent. Therefore, it is being closely followed by the international community with interest.

The question of the first importance for discussion at the current meeting is one of aiding Russia. Currently the Russian economy is increasingly deteriorating and badly needs aid from the United States and other Western countries. In April of last year, with the United States as the mover, Western countries worked out a \$24 billion Russian-aid package. However, up to now, most of the plan has not yet been implemented. According to a U.S. Government official, when meeting Yeltsin in Vancouver, Clinton will present the former a new Russian-aid package: 1) The plan will ask the U.S. Congress for an additional \$1 billion in direct aid to Russia, and the money will be used in granting housing loans, establishing an enterprise fund, and providing food aid; and 2) the United States will further mobilize other members of the Group of Seven to increase aid to Russia. The plan is designed to help Yeltsin pull through the current political crisis and consolidate his leadership position. At the meeting, leaders of the two countries will further discuss how to implement the plan.

Although the United States and Russia signed the Second-Stage Offensive Strategic Arms Reduction Treaty, this does not mean that the United States' worry about the former Soviet Union's nuclear weapons has disappeared. Many outstanding questions in the implementation of the nuclear disarmament treaty remain unresolved. This is a sour point to the U.S. Government. This question will also be an important topic of talks for both sides at the current meeting.

Both the United States and Russia are the sponsoring nations of the Middle East peace talks. Since Israel deported a large number of Palestinians in December of last year, the peace negotiations have come to a deadlock. To promote the Middle East peace process, U.S. Secretary of State Warren Christopher visited the Middle East in February. How to break the deadlock and promote an early resumption of the peace talks is another question for discussion at the current meeting.

So far it has been difficult to put an end to the chaos caused by the war in Bosnia-Herzegovina. Tens of thousands of people are living in an abyss of misery. The UN mediation efforts in many ways have failed to work. After assuming

office, Clinton put forth a six-point proposal for resolving the Bosnia-Herzegovina issue. However, there are differences between the United States and Russia in the issue, which needs a consensus to be reached through negotiations.

Since the disintegration of the Soviet Union, U.S. and Russian leaders have met many times so as to reestablish bilateral relations. The Vancouver meeting is precisely the continuity of this process.

Coordination To Be Goal of U.S.-Japan Summit

OW0304173193 Beijing XINHUA in English 1549
GMT 3 Apr 93

[Text] Tokyo, April 3 (XINHUA)—Coordination between the United States and Japan on important diplomatic issues will be one of the major goals of the Japan-U.S. summit scheduled for later this month, according to Japanese Prime Minister Kiichi Miyazawa's aides today.

During their meeting to be held in Washington on April 16, Miyazawa and U.S. President Bill Clinton also will discuss the sustained growth of the world economy and a smooth settlement of bilateral problems.

Miyazawa will reaffirm the importance of Japan-U.S. cooperation for security in the Asia-Pacific region as well as assistance to Russia.

According to the aides, the prime minister will propose multi-level dialogue between the two countries to cement bilateral relations.

In a related development, Clinton today made a phone call to Miyazawa and briefed him on the U.S. aid package for Russia.

Li Lanqing Opens 3d International Trade Fair

OW0204074893 Beijing XINHUA in English 0737
GMT 2 Apr 93

[Text] Beijing, April 2 (XINHUA)—The Third Beijing International Fair opened at the China International Exhibition Center here today.

The fair will exhibit new products and new technology in the areas of energy, communications, light industry, textiles, aviation, metallurgy, construction, medicine, food processing, electric power, agriculture, forestry and chemicals.

Li Lanqing, vice-premier of the State Council, and Cheng Siyuan, vice-chairman of the Standing Committee of the Eighth National People's Congress, were present at today's opening ceremony and cut the ribbons for the fair.

Over a thousand guests, including foreign diplomats and trade representatives, attended the ceremony.

Addressing the opening ceremony, Zheng Hongye, chairman of the China Council for the Promotion of International Trade, said that the fair is aimed at expanding economic cooperation and common development.

The fair is conducive to enhancing South-South cooperation and North-South exchanges, Zheng said.

Contributing to the fair are more than 3,000 enterprises and businessmen from China, Australia, the Republic of Korea, Mongolia, the United States of America, Hong Kong and Taiwan and other countries and regions.

The fair will provide a chance for participants to exchange experience, hold business negotiations and seek cooperative opportunities.

The current session of the fair is larger in size and has more participants than the one held in 1991.

The Fourth Beijing International Fair is scheduled for April of 1995, according to Zheng Hongye.

Czechs Host News Conference

OW0504101393 Beijing XINHUA in English 0835
GMT 5 Apr 93

[Text] Beijing, April 5 (XINHUA)—Some Czech entrepreneurs introduced here today the internal economic situation of the Czech Republic and Czech-Chinese economic and trade relations at a news conference held by the Czech Embassy to China.

The entrepreneurs are here participating in the Third Beijing International Fair, which opened three days ago.

According to them, settlement on accounts has been replaced by cash accounts in Czech-Chinese trade since 1991. In 1992, the trade volume between the two countries reached 160 million U.S. dollars, with 104 million U.S. dollars in Czech exports and 57 million U.S. dollars in Czech imports.

Contributing to the Beijing fair are more than 3,000 enterprises and business people from China, Australia, the Republic of Korea, the United States, the Czech Republic, Hong Kong and Taiwan and other countries and regions.

The participants from the Czech Republic are the Czech Technoexport Company, Vitkovice Company and Motokov Company.

United States & Canada

PRC Airliner Makes Emergency Landing in Alaska

OW0604232893 Beijing XINHUA in English 2249
GMT 6 Apr 93

[Text] Washington, April 6 (XINHUA)—The China Eastern Airlines office in Los Angeles confirmed that a jet airliner of the company had made an emergency landing in Alaska earlier today.

A staff member of the office told XINHUA over the phone that the airliner that took off in Shanghai was due to arrive in Los Angeles at 9:45 local time (12:45 EST [eastern standard time]) [1745 GMT].

Little more had been known so far about the incident, she added.

Air Force Evacuates Injured

OW0704071493 Beijing XINHUA in English 0614
GMT 7 Apr 93

[Text] Washington, April 6 (XINHUA)—The injured passengers from a Chinese airliner are being airlifted to Anchorage after the Los Angeles-bound jet made an emergency landing in a remote Air Force base in Alaska this morning.

A staff member of the Shanghai-based "China Eastern Airlines" office in Los Angeles told XINHUA on the phone that one passenger died and an unknown number of others were injured.

The first group of injured passengers, about 30, have been flown by military transport to anchorage, she said. Anchorage is a port city some 2,400 kilometers away from the Air Force base on the western tip of the Aleutian island chain.

The Los Angeles office could not identify the name and status of the dead passenger. The office general manager had rushed to Anchorage soon after learning of the incident.

The ASSOCIATED PRESS reported from the Shemya Air Force Base that the number of injured passengers from the Chinese airliner had increased to about 150 and those most badly injured were airlifted to the Elmendorf Air Force Base in Anchorage and then taken to the city's four hospitals for treatment shortly after noon.

The rest of the injured were expected to arrive there on four more flights Tuesday [6 April]. Alaska Airlines was sending a plane to the base to fly the uninjured passengers to Los Angeles.

According to AP report, the Chinese flight MU583 from Beijing, with 256 people—including the crew—on board, was allowed to make an emerging landing at the base at about 3:30 a.m. (local time) after the plane "ran into severe turbulence" over the Bering Sea and its crew made a distress call requesting permission to land at the nearest airport.

Theodore Mala, Alaska's commissioner of health, who saw the first group of injured passengers arriving in Anchorage, was quoted as saying, "They probably didn't have their seat belts on, and I think people were probably walking around, because they slammed into things and luggage fell on them."

Shanghai Company Signs Oil, Gas Contract

HK0704050893 Hong Kong WEN WEI PO in Chinese
7 Apr 93 p 3

["Special dispatch": "Shanghai and Texaco Sign Agreement on Exploiting Oil and Gas Field"]

[Text] Shanghai, 6 Apr (WEN WEI PO)—The Shanghai Oil and Natural Gas Company and the U.S. firm Texaco signed "A Cooperation Agreement on the Overall Exploitation Plan for the Tonghai [East China Sea] Pinghu Oil and Gas Field" and "A Letter of Intention on Setting up the Sino-U.S. Joint Venture Shanghai Texaco Oil and Natural Gas Company."

Currently, Chinese and U.S. specialists have started working out an overall exploitation plan for the Pinghu Oil and Gas Field, which includes the description and exploitation of oil deposits, drilling projects, platform projects, piping projects, land facilities, economic assessments, and security analysis.

The high technology exploitation project needs a total investment of \$400 million, will be completed by the end of 1996, and will begin to provide Shanghai Municipality with 500 million cubic meters of clean, highly effective, top-quality gas a year (calculated on the heat value basis, this is equal to 1.25 billion cubic meters of water gas a year, or 3 million cubic meters of water gas a day). It can ensure a continuous, steady, and reliable supply of gas for more than 18 years.

At the same time, this field can turn out 500,000 tonnes of top-quality condensate a year and a 1 billion yuan output value of oil and gas each year.

After completion, the project will help greatly improve Shanghai Municipality's fuel structure, make things convenient for the people's livelihood, and reduce environmental pollution.

U.S. Company To Market Printers in PRC

OW0604085593 Beijing XINHUA in English 0807
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—The Smith Corona Corporation of the United States, the world's largest printer and word processor producer, is marketing its products in China for the first time.

At a recent news conference held here, Corona displayed more than 10 types of word processors and printers developed in the 1990s. One type is the world's quietest printer, developed in 1992. It is 10 times lower than other printers in terms of noise level, is capable of storing up to 90,000 words, and has an automatic correction system.

The sales volume of Smith Corona totals 370 million U.S. dollars a year.

The Nanfang Electronics Co. Ltd. in Hainan Province serves as Corona's agent in China, ROK, Japan, Thailand, Malaysia, Hong Kong and other parts of Asia. It plans to cooperate with Corona in importing and manufacturing the quiet printers. It will also open a marketing center in Beijing to develop and service Corona products and train personnel for customers.

Central Eurasia

Russian Envoy Discusses NPC Session, Relations

OW0604141693 Beijing China Radio International in
Russian 1900 GMT 1 Apr 93

[Studio report by unidentified correspondent]

[Text] The first session of the eighth convocation of the National People's Congress [NPC] successfully concluded its work in Beijing on the afternoon of 31 March. Diplomats from foreign countries were invited to the closing session, including Rogachev, the Russian Federation ambassador. In his interview with our correspondent, Ambassador Rogachev expressed his warmest congratulations on the successful conclusion of the first session of the eighth convocation of the NPC. He said:

[Begin Rogachev recording] First, I would like to congratulate our Chinese colleagues, comrades, and friends for the very important event in the life of China and the Chinese people—the conclusion of the first session of the eighth convocation of the NPC. I think the session has adopted extremely important decisions in regards to expediting economic reform and opening up in China, and in many respects it seems the decisions of the session have already been projected to the 21st century.

Of course we have all carefully followed the work of the session and read all the important documents, such as the report by State Council Premier Li Peng and the electorate reports of the deputies. There were many problems in this regard, and they were openly discussed at the session. In this we see a new manifestation of democracy in the Peoples Republic of China. There was much criticism from provincial representatives, and this was good because it helps to move the country forward, to make great strides. [end recording]

As regards his personal assessment of the prospects for developing Sino-Russian relations, and of the new Chinese Government leadership formed at this session, Ambassador Rogachev said:

[Begin Rogachev recording] As the Russian ambassador, it gave me great pleasure to hear Premier Li Peng's report about Russo-Chinese relations. The premier called them "new relations," and I completely agree with this. The main thing is that we will always remain friendly and good neighbors.

I see many familiar faces within the composition of the new leadership named by the session, people with whom we have worked in the past in normalizing, strengthening, and developing relations between our two countries. That is why I have complete confidence that the session will stimulate further development, good neighborly relations, and cooperation between China and Russia. [end recording]

Touching upon the Chinese policy of reform and opening up, Ambassador Rogachev states:

[Begin Rogachev recording] I think all the decisions of the recently concluded session strengthen and secure the course announced last year through the initiative of Deng Xiaoping, or as you call him the patriarch of your reforms. I think this course is most fitting to the conditions in China and to the Chinese reality. This is the optimal course for China, and I have no doubt that all which has been planned for the near future will be achieved. [end recording]

Dear listeners, we have brought you the report "The Ambassador of the Russian Federation Rogachev on the First Session of the Eighth Convocation of the NPC and on Relations Between Russia and China."

Northeast Asia

Spokesman on Japanese Change of Foreign Ministers

OW0704104693 Beijing XINHUA in English 1035
GMT 7 Apr 93

[Text] Beijing, April 7 (XINHUA)—China extended today congratulations to Kabun Muto for his assumption of office as Japanese foreign minister, while expressing appreciation for the contribution his predecessor made to the development of Sino-Japanese relations.

A Chinese Foreign Ministry spokesman made the remark here today [7 April] when asked by journalists to comment on the resignation of the Japanese Foreign Minister Michio Watanabe.

"We are sorry to hear that Foreign Minister Mr. Watanabe has resigned for health reason," the spokesman said.

"Mr. Watanabe is an old friend of the Chinese people. We appreciate the important contribution he has made to the development of Sino-Japanese relations over the past years, especially during his tenure of office as the Japanese foreign minister.

"The new Foreign Minister Mr. Kabun Muto is also a statesman who has intimate knowledge about Sino-Japanese relations. We would like to extend our congratulations to him for his assumption of office as foreign minister," he said.

Li Tieying Meets Japanese Cultural Delegation

OW0704075793 Beijing XINHUA in English 0402
GMT 7 Apr 93

[Text] Beijing, April 7 (XINHUA)—Chinese State Councillor Li Tieying met and had a friendly conversation with a delegation from the Japan-China Cultural Exchange Association of Japan led by its Standing Director Takayama Tatsuo here this morning [7 April].

According to sources, Takayama Tatsuo, also a famous painter, and his party arrived here on April 3 as guests of the China Federation of Literary and Art Circles. Apart from Beijing, they will also visit Xian and Shanghai.

Southeast Asia

PRC, SRV Sign Technical Cooperation Pact

OW0604124793 Beijing XINHUA in English 1232
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—The agreement on scientific and technological cooperation between China and Vietnam was signed here today [6 April].

Chinese State Councillor and Minister in Charge of the State Science and Technology Commission Song Jian and Vietnamese Minister of Science, Technology and Cooperation Dang Huu signed the agreement.

According to the agreement, the two sides will cooperate in the research, production and processing of tropical plants and in the cultivation of sea products.

The signing ceremony followed the first meeting of the China-Vietnam Joint Committee of the Scientific and Technological Cooperation.

Li Lanqing Meets Singaporean Delegation

OW0704081093 Beijing XINHUA in English 0231
GMT 7 Apr 93

[Text] Beijing, April 7 (XINHUA)—Chinese Vice-Premier Li Lanqing met and had a friendly talk with Kwek Leng Joo, president of the Singapore Chinese Chamber of Commerce and Industry, and his party at the Great Hall of the People here this morning [7 April].

During the meeting, Li briefed the guests on the just-concluded first session of the 8th National People's Congress and the economic development of China. He also answered questions raised by the guests.

Wan Shaofen, deputy head of the United Front Work Department of the Chinese Communist Party Central Committee, was present at the meeting.

The visitors came here on April 2 at invitation of the Overseas Chinese Association of Shaanxi Province.

Tibet, New Zealand Agree on Geothermal Research

OW0604070693 Beijing XINHUA in English 0438
GMT 6 Apr 93

[Text] Wellington, April 6 (XINHUA)—New Zealand's Industrial Research Department is cooperating with China's Tibet Autonomous Region in geothermal research by offering technology and technical training for Chinese personnel.

Both the Tibetan authorities and the New Zealand side would contribute about 425,000 U.S. dollars to carry out the three-stage geothermal research project in Tibet, according to Dhundrup Gyaltsen, general manager of the Geothermal Development Corporation of Tibet Autonomous Region today.

In an exclusive XINHUA interview, Gyaltsen, now on a study tour of New Zealand, said the project would also

include the prospecting and monitoring of the geothermal reserves in Yangbajin Geothermal Centre, near Lhasa, which is one of the key geothermal sources in China.

The first deep well of 2,000 meters deep is being dug in Yangbajin, with work on the second to be started soon, the Tibetan manager said. With the help of New Zealand engineers, the Yangbajin power station which began generating power in 1981, would be further expanded and the "sludge" erupted alongside the geogas better treated, the manager added.

New Zealand is considered one of the countries in the world which is well-experienced in geothermal research. The geothermal power station with a generating capacity of more than 200,000 kw, in Taupo, northern part of the north island, is one of the largest in the world.

Near East & South Asia

Qian Qichen, Lebanese Minister Discuss Mideast

OW0604132293 Beijing XINHUA in English 1311
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today [6 April] that the Chinese Government supports the joint consultations and efforts made by five Arab countries for the resumption of the Mid-East peace talks.

Qian made the remarks during a meeting here this evening with Faris Buwayz, minister of foreign and overseas Lebanese affairs of the Republic of Lebanon.

Qian said that China hopes efforts to restart the peace talks will succeed.

He said that China is greatly concerned over problems in the Middle East, which has witnessed the longest regional conflict since the end of the Second World War.

The Chinese foreign minister, who was recently named a vice-premier by the Chinese National People's Congress, said that the Mid-East peace talks had begun due to the unrelenting efforts of various Arab countries, including Lebanon. However, said Qian, the talks have met with obstructions.

China holds that all sides involved should make sustained efforts to overcome difficulties and continue the peace talks.

Buwayz also briefed Qian on the domestic situation in Lebanon.

The two ministers also engaged in a wide-ranging exchange of views on bilateral relations and international issues.

Buwayz arrived here on Monday [5 April] for a goodwill visit.

West Europe

Austrian Chancellor Vranitzky Continues Visit

Talks on Business, Rights

AU0704074093 Vienna WIENER ZEITUNG in
German 6 Apr 93 p 1

[Peter Bochsankl report: "Chinese Projects for 20 Billion Schillings"]

[Text] Beijing—At the moment the value of the actual deals between Austrian and Chinese companies for the next 18 to 24 months is 8 billion schillings; for the next four to five years there are prospects for a volume of up to 20 billion schillings. This was reported by Chancellor Franz Vranitzky on Monday [5 April] after his first meeting with Chinese Prime Minister Li Peng, for which he was received with military honors in front of the Great Hall of the People in Beijing.

The chancellor, who is accompanied on his trip to China by Finance Minister Ferdinand Lacina and a high-ranking economic delegation, stressed the very good climate of the talks and pointed out that cooperation with China contributes to safeguarding jobs in Austria and establishes good preconditions for the next steps in connection with, for instance, a gigantic power plant and railroad projects with China. Austria has good prospects, also in view of the fact that China wants to double its orders in Europe to \$400 billion by the year 2000.

In his talk with Li Peng Vranitzky explained Austria's well-known position on human rights and stressed the interest in clarifying this issue, which still exists after the release of some of the people who were arrested in June 1989. Li Peng expressed his readiness to discuss this matter at any time, for which he will have an opportunity at the UN human rights conference in Vienna in June.

On Sunday evening, at a reception given in the Austrian Embassy in Beijing, the chancellor stated that one should also consider the possibility of reaching out one's hand to avoid a repetition of the events. The spokesman of the Chinese foreign minister, on the other hand, told Austrian reporters that the successful course of the socialist market economy under the leadership of the Communist Party requires stable political conditions. Responding to questions, he said rather polemically that U.S. democracy cannot be applied to China because otherwise there would be 20 million homeless and thus instability. The reports by Amnesty International about torture are completely unfounded. Criminal thoughts alone are not punishable, but those who violate the law are treated in line with the law, he stressed.

Over the weekend the chancellor and the Austrian delegation visited the special Chinese economic zones of Shenzhen near the border to Hong Kong and of Pudong in Shanghai. With tax exemption, exemption from customs duties, the abolition of all foreign currency restrictions, and a free trade zone, Pudong, for instance, has managed

to attract foreign capital of 50 million schillings since its founding in 1990; by the year 2000 more than 300 million schillings are expected.

During a meeting with the mayor of Shanghai, which has 13 million inhabitants and managed to increase its national product by 10 percent during the first quarter of 1993, the chancellor announced the opening of a representation of the Federal Economic Chamber in this city.

Seeing the activities of Austrian companies in China was a further reason for this trip. In Shanghai, it was the International Medical Center, in which the Vamed Company participated in the planning and construction and which will open in May, and the Shanghai Voith Paper Company, in which Voith holds a 33-percent share. In Jinan, the Austrians participated in the 10th anniversary celebrations of the China National Heavy Truck Corporation, with which Steyr has had a license contract since 1983, which is now to be extended until 1996. At the moment, 2,000 new Steyr trucks are rolling onto China's roads every year. In 1995 the number is to reach 8,000.

Meets Zhu Rongji

OW0604132793 Beijing XINHUA in English 1310
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Chinese Vice-Premier Zhu Rongji met here today [6 April] with visiting Austrian Federal Chancellor Franz Vranitzky.

During the meeting, Zhu said that China's economy has entered a stage of high-speed development based on implementing Deng Xiaoping's theory on building socialism with Chinese characteristics.

Zhu described the characteristics of China's high-speed development as including the following: (1) massive construction of infrastructure, which includes railways, ports, postal services and telecommunications; and (2) massive use of foreign funds in the establishment of joint ventures and solely foreign-funded enterprises.

The vice-premier told Vranitzky that the Chinese leadership is sober-minded about prospects on overheated economic development.

"We have noticed problems that have occurred in economic development," said Zhu, "but the economy is not overheated now."

Zhu said China's market is open to the world and that China is willing to conduct economic and technological cooperation with all countries, including Austria.

He said the Chinese and Austrian economies are in many ways complementary, and added that the two sides are certain to find additional means of cooperation that are beneficial to both.

Vranitzky said that Austria is very interested in economic cooperation with China.

Talks With Jiang Zemin

OW0604135093 Beijing XINHUA in English 1334
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Chinese President Jiang Zemin today [6 April] said he was confident that the current visit to China by Austrian Federal Chancellor Franz Vranitzky will help promote bilateral relations.

Jiang made the remark at a meeting with Vranitzky at the State Guesthouse in Beijing this evening.

Jiang said China and Austria differ in social systems and cultural traditions, but that friendship between the two nations and the two peoples can be traced back to ancient times.

Since the two countries established diplomatic relations 20 years ago, and particularly after China implemented the policy of reform and opening, ties of friendship and cooperation have developed rapidly. At the same time, Jiang said, mutual understanding between the peoples of the two nations have deepened.

Recently-elected President Jiang said that the visit to China of then Austrian President Rudolf Kirchschlaeger in 1985 made important contributions to Sino-Austrian ties.

Vranitzky congratulated Jiang on being elected China's president. Jiang was elected to the state's top post by the National People's Congress at a meeting last month.

Vranitzky said that during his delegation's tour of Shenzhen, Shanghai and Jinan, he and other Austrian members were deeply impressed by the vitality of the Chinese economy.

The Austrian official said that China's special economic zones, which include Shenzhen, are being developed in the direction of modernization and internationalization. The prospects for Sino-Austrian cooperation are bright, said the chancellor.

Jiang asked Vranitzky to convey his greetings to Austrian President Thomas Klestil, along with an open invitation to visit China sometime in the future.

After the meeting, Jiang hosted a dinner in honor of Vranitzky and his party.

Earlier today, Li Guixian, state councillor and governor of the People's Bank of China, met with Ferdinand Lacina, Austria's federal minister of finance, who is accompanying Vranitzky on the visit.

During the meeting, Li briefed the Austrian guest on China's banking structure and monetary policies.

Signs Pacts; Li Peng Attends

OW0704065993 Beijing XINHUA in English 0637
GMT 7 Apr 93

[Text] Beijing, April 7 (XINHUA)—Austrian Federal Chancellor Franz Vranitzky today [7 April] concluded his official China visit with the signing of three documents on Sino-Austrian cooperation.

Chinese Premier Li Peng joined Federal Chancellor Vranitzky at the signing ceremony.

An agreement on extending a total of one billion Austrian Schillings (equivalent to 85 million U.S. dollars) in government loans from Austria to China was signed between Wu Yi, Chinese minister of foreign trade and economic cooperation, and visiting Austrian Minister of Finance Ferdinand Lacina.

Official sources said the loans will be mainly used in China's energy and infrastructure construction.

Another two documents signed here today are a memorandum of cooperation between the China National Heavy Duty Truck Corporation and Steyr Nutzfahrzeuge AG of Austria, and a contract related to the Tianjin No. 4 paper mill of the China National Technical Import and Export Corporation, which will import a production line for high grade art paper from J.M. Voith AG of Austria.

After the signing ceremony, Premier Li bid farewell to the federal chancellor.

Li said he was very pleased to note that Vranitzky's China visit was successful and hoped that the friendship between the two countries enhanced through the visit will be "as beautiful as spring."

Vranitzky thanked the Chinese host for giving him a warm reception during the visit and said it is his hope that the friendly relationship between the two countries will be continuously maintained and efforts should be made to implement the agreements that the two sides have reached.

Later, Vranitzky and his party left here for home by air.

Holds News Conference

OW0704073693 Beijing XINHUA in English 0623
GMT 7 Apr 93

[Text] Beijing, April 7 (XINHUA)—Austrian Federal Chancellor Franz Vranitzky said here today [7 April] that his current China visit is aimed at turning over a new page in Austrian-Chinese relations.

He told a press conference that to establish "an exemplary relationship" between Austria and China is important to both sides which are different in size, culture and tradition.

There exists a foundation for furthering Sino-Austrian ties as the two sides can understand each other and have harmonious relations.

He went on to say that he, together with the senior Austrian officials and more than 50 leading businessmen accompanying him on the visit have held a series of discussions with their Chinese hosts on ways and means to expand bilateral trade and increasing investment.

The one-billion Austrian Shilling loan package offered by Austria to China, he said, will be used to finance energy projects. Meanwhile, the Austrian Government encourages Austrian businessmen to invest more in China.

Therefore, the coming few years will see more active economic and technical cooperation between the two countries, he said.

The two sides have also discussed exchanges and cooperation in culture, education and art. An Austrian orchestra will make a performance tour of China in 1994, he announced.

Comments on Ties, Human Rights

HK0704085493 Hong Kong AFP in English 0814 GMT
7 April 93

[Text] Beijing, April 7 (AFP)—Austria is willing to cooperate with China to develop strong economic ties despite Beijing's poor human rights record, Austrian Chancellor Franz Vranitzky said here Wednesday. "Isolation must not be the only answer to the improvement of human rights," Vranitzky told reporters.

"(Prime Minister Li Peng) told me that he himself is aiming at democracy and freedom," he said, pointing to the recent release of political prisoners. "He is prepared to discuss the question of human rights with everybody." Li, who was one of the key figures behind the crushing of the pro-democracy movement in Beijing in 1989, was reelected to his post for a second five year term last month.

Vranitzky, the first head of state to visit China since the National People's Congress in March, invited Li to visit Vienna this year.

During his six-day visit, which ended Wednesday, the Austrian leader met Communist Party General Secretary and State President Jiang Zemin and Deputy Prime Minister in charge of the economy Zhu Rongji.

Noting that economic cooperation had helped South Korea become a democracy, Vranitzky said he wanted a surge in collaboration between Vienna and Beijing.

Earlier, Austria granted China a loan of one billion schillings (92.5 million dollars) which is expected to aid soon-to-be-announced projects which will help Austrian firms boost their market penetration in China.

"There is a good basis for diversification and cooperation," Vranitzky said, citing transport and energy as examples.

Referring to his trips to eastern and southern China, Vranitzky said he was "very impressed" with the openness of officials.

In Jinan, capital of the eastern Shandong Province, he participated at the opening ceremony of a joint venture aiming to make 4,000 trucks a year.

Trade between China and Austria hit 800 million dollars in 1992 with a surplus in China's favour of 320 million dollars.

Zhu Rongji Meets Swedish Business Delegation

OW0604115793 Beijing XINHUA in English 1108
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Swedish entrepreneur Dr. Peter Wallenberg and his party here this afternoon.

In the meeting, Zhu spoke highly of Dr. Wallenberg's efforts to develop Sino-Swedish friendly cooperation over the years. He hoped that Swedish business circles would expand cooperation with China.

Dr. Wallenberg, chairman of Peter Wallenberg's Group, is concurrently president and chairman of a number of other corporations in Sweden.

NPC's Wang Bingqian Meets Italian Senator

OW0604125393 Beijing XINHUA in English 1229
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Wang Bingqian, vice chairman of China's National People's Congress (NPC) Standing Committee, met with Paolo Emilio Taviani, an Italian life-time senator here today [6 April].

Taviani, who is on a six-day visit here at the invitation of the Chinese People's Association for Friendship With Foreign Countries, donated some books to the National Library of China.

He was also invited to be honorary professor of Beijing Normal University during the current visit.

Political & Social

Pro-Democracy Propaganda Activities Reported

HK0704025893 Hong Kong SOUTH CHINA
MORNING POST in English 7 Apr 93 p 11

[By staff reporter]

[Text] The pro-democracy movement has taken flight again—with pigeons bearing messages of hope from dissidents.

Several hundred of the birds have been used to carry slogans written on ribbons, by activists based in Guangzhou and other cities.

It is understood the slogans were relatively mild ones that called for "the perfection of the legal system" and an end to corruption.

Others demanded a Western-style multi-party system, the free airing of views, and a "just system" where people could exercise their power.

Police in Guangdong are investigating the protest actions.

The slogans also made it clear, however, that the underground activists supported the economic reform and open-door policies.

Pigeons bearing political messages were also spotted in other Guangdong cities, including Foshan and the Shenzhen and Zhuhai special economic zones, and Wuzhou, a city in Guangxi province.

"One estimate said there were more than 20 such activists in the Guangzhou area," an informed source said.

"They bought the pigeons in rural areas to avoid detection, and then let the pigeons fly out of windows in relatively tall buildings in the cities."

Other dissidents floated large balloons that bore political messages, and pasted handbills on buildings.

Sources close to the police said they had caught several ribbon-bearing pigeons, and confiscated handbills.

However, it is believed that no arrests have been made.

The sources said some of the activists were student leaders who had been active in Beijing and other northern cities during the prodemocracy movement.

A source in the dissident community in Beijing said there would likely be small actions of protest during the fourth anniversary of the June 4 movement.

However, the source added that, nationwide, the priority among underground dissident cells was not to stage daring actions but to consolidate their organisations and networks.

"Actions like sending out message-bearing pigeons are dangerous because they may lead to arrests," the source said.

"The important thing is to keep the organisation going so that it can spring into action when the overall climate is right for activism."

It is believed that after more than three years of intense surveillance and arrests, security authorities have stripped the dissident movement to the bones.

While almost every large city still has at least one underground organisation, it is doubtful whether there are national networks.

Moreover, many dissidents who have been released from jail have channelled their energy into business.

In some instances, these dissidents have been getting financial assistance from government and security units, which hoped that once they had become businessmen, the "trouble-makers" would leave the political scene.

The dissident movement in China has also been hurt by the large number of "stars" who have gone to the West.

"Once they have settled abroad, dissidents lose their moral authority and their effectiveness as role models," a scholar in Beijing said.

Peng Peiyun Speaks at World Health Day

OW0604120493 Beijing XINHUA in English 1106
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Chinese health officials here today appealed for more efforts to reduce accidents and violence to a minimum with the policy of putting prevention first.

At a symposium for World Health Day, State Councillor Peng Peiyun said that the prevention of accidents and injuries is important for public health, which should draw attention from the whole society.

Also at the meeting, a senior official from the Ministry of Public Health urged health organizations in the country to develop first-aid technology and spread safety knowledge among common people so as to improve their consciousness of self protection.

April 7 is World Health Day. With the slogan of "handle life with care: prevent violence and negligence", it has selected injuries as the topic of this year.

Statistics show that in 1992, more than 228,000 road accidents occurred in China, which killed over 58,000 people and injured 140,000.

About 3.5 million people die yearly throughout the world from injuries caused by accidents and violence, according to the World Health Organization. Each year, two million people become permanently handicapped after accidents or acts of physical violence.

Official Says Newspapers To Add More Pages*OW0704080393 Beijing XINHUA in English 0323
GMT 7 Apr 93*

[Text] Beijing, April 7 (XINHUA)—Sixteen-page and 20-page newspapers will be popular in two to three years in China, according to a noted researcher.

Currently, most Chinese newspapers contain eight pages.

"The market economy is creating an advertising fever, but clients are being irritated at the limited columns and high charges," says Sun Xupei, director of the Journalism Institute of the Chinese Academy of Social Sciences.

The small newspapers also result in readers subscribing to a large number of unnecessary publications for full information, according to Sun. He says this will hurt the media industry if subscribers are overburdened.

Sun urges the expansion of information circulation, which helps make correct decisions in line with market economic demands.

Larger newspapers will provide more news coverage and cater to popular tastes favored by ordinary families.

His predictions are backed up by the experiences of a few pioneering newspapers. For example, Guangdong has published China's first 12-page daily and Shanghai has turned out the country's first 16-page evening paper.

China now has more than 1,700 newspapers.

Supreme Procuratorate NPC Work Report*OW0704064993 Beijing XINHUA Domestic Service in
Chinese 2111 GMT 4 Apr 93*

[Special to RENMIN RIBAO and FAZHI RIBAO]

[Text] Beijing, 5 Apr (XINHUA)—Report on the Work of the Supreme People's Procuratorate
—Delivered on 22 March 1993 at the First Session of the Eighth National People's Congress [NPC]
By Liu Fuzhi, procurator general of the Supreme People's Procuratorate

Fellow deputies:

Since the First Session of the Seventh NPC, the Supreme People's Procuratorate has led regional people's procuratorates at all levels and special people's procuratorates to thoroughly implement the party's basic line of "one central task and two basic points," and has conducted work in all areas following the Constitution and laws and adhering to the guiding ideology of serving the cause of socialist modernization. We have made great progress in our procuratorial work amid reform.

Over the past five years, procuratorial organs have focused on conducting struggles aimed at cracking down on corruption and bribery; strengthened our efforts to deal with cases involving infringement on the people's democratic rights, dereliction of duty, and other crimes; further improved work in all areas; strengthened the building of

the procuratorial corps; and taken systematic steps to reform the procuratorial system. In conducting their work, procuratorates at all levels have strengthened the function of legal supervision, thus playing an active role in preserving the state's stability and social stability, in advancing socialist democracy and rule by law, in promoting administrative honesty, and in ensuring that reform, opening up, and economic construction will proceed smoothly.

I hereby submit the following report on the main procuratorial work for your examination and discussion:

I. The Main Work in the Past Five Years**(1) We Conducted In-depth Struggles Aimed at Cracking Down on Corruption and Bribery.**

In the last few years, procuratorial organs across the country have focused on conducting struggles aimed at cracking down on cases of corruption and bribery, and have taken a string of measures to tighten legal supervision over such on-the-job crimes committed by state functionaries.

—We insisted on regarding clamping down on corruption and bribery as the focus of our work. Since the fourth quarter of 1988, the Supreme People's Procuratorate has regarded clamping down on corruption and bribery as the focus of procuratorial work and targeted the work as the primary task in cracking down on economic crimes. We have emphasized the need for leaders to personally take charge of this work and the need for concentrating efforts on dealing with major and serious cases, thereby creating a new situation in procuratorial work. According to statistics, between 1988 and the end of 1992, procuratorial organs across the country placed on file 214,318 corruption and bribery cases for investigation and prosecution. Of these, 49,122 were major cases, each of which involved more than 10,000 yuan. Procuratorial organs also instituted prosecution in the people's law courts against 95,818 persons and retrieved 2.58 billion yuan in illicit money and goods.

—We implemented the circular issued by the Supreme People's Court and the Supreme People's Procuratorate. On 15 August 1989, the Supreme People's Procuratorate and the Supreme People's Court jointly issued the "Circular Demanding That Criminals Committing Corruption, Bribery, Profiteering, and Other Crimes Must Turn Themselves In and Make Confessions Within the Specified Period." Within the specified two and a half months, the masses submitted 133,765 reports containing clues concerning corruption, bribery, and other economic crimes, and more than 36,000 criminals committing corruption or bribery surrendered to procuratorial organs.

—We concentrated our forces to investigate and handle major cases, appropriately handled minor cases in accordance with the laws, and dealt a serious blow to grave criminal elements guilty of embezzlement and bribery. Among the major cases cracked involving

10,000 yuan or more were: 1,782 cases involving more than 100,000 yuan and less than 500,000 yuan; 122 cases involving more than 500,000 yuan and less than 1 million yuan; and 50 cases involving more than 1 million yuan. In 1992, Xue Genhe of the Industrial and Commercial Bank in Hainan Province's Haikou City teamed with others in embezzling more than 30 million yuan from the bank. This was the biggest case in the past several years. Since 1988, procuratorial organs investigated and handled cases involving more than 4,629 cadres at and above the county and section levels who were guilty of embezzlement and bribery; of these cadres, 173 were at and above the department and bureau level, and five were at the provincial and ministerial levels. The investigation and handling of major cases produced notable social, economic, and political benefits. Meanwhile, procuratorial organs showed leniency, in accordance with the law, toward those who committed minor offenses, voluntarily surrendered to authorities, performed meritorious services, showed repentance, and took the initiative to return embezzled money; and referred to government and party disciplinary departments those who had not caused great harm and whose criminal liability need not be investigated. By so doing, we dealt a serious blow to grave criminal offenders while educating and redeeming people who have committed minor crimes.

—Chief procurators played the leading role in handling major cases at different levels. A system whereby chief procurators took the lead in investigating and handling major cases was implemented from the Supreme People's Procuratorate down to local procuratorates at different levels. Leading cadres seized the initiative by going to the front lines to study the circumstances of cases, to direct investigations and the collection of evidence, and to solve problems. A system of handling major cases at different levels was implemented within the procuratorial organs; major cases involving central state organs and cases involving cadres at and above the provincial and ministerial levels were mainly investigated and handled by the Supreme People's Procuratorate; cases involving cadres at the department and bureau levels were handled by the provincial, autonomous regional, and municipal procuratorates; and cases involving cadres at the county and section levels were handled by the prefectural and city procuratorates. Implementation of these systems strengthened the leadership of procuratorates at higher levels over those at lower levels, and helped them overcome interference, solve criminal cases, and bring criminals to justice.

—We set up crime-reporting centers. In March 1988, the Shenzhen City Procuratorate in Guangdong Province set up the first center for reporting crimes of embezzlement and bribery in China. The Supreme People's Procuratorate immediately popularized the Shenzhen procuratorate's good experience. More than 3,600 procuratorates throughout the country established crime-reporting centers and launched all-out efforts to encourage people to report crimes. The crime-reporting centers accepted and handled clues in a total of 730,000

cases of embezzlement and bribery; 150,000 of which were placed on file for investigation and prosecution, and 210,000 were transferred to the relevant departments for handling. The centers also investigated and handled 2,922 cases of retaliation against crime informants and 328 cases of framing people through the centers, and rewarded 6,080 meritorious personnel in crime-reporting. In the course of practice, we gradually established a complete system of accepting clues, preliminary investigation, placing cases on file for investigation and prosecution, protection, rewards, and information feedback. In May 1991, the Supreme People's Procuratorate promulgated the "Regulations on Protecting the Right of Citizens To Report Crimes." Clues to crimes reported by citizens have become the main source of investigating criminal cases. The crime-reporting work, as a new way of combining the procuratorial organs' professional work with the mass line, facilitated the smooth progress of the anti-embezzlement and antibribery drive, and laid a solid popular foundation for the drive.

—We established anticorruption bureaus. In 1989, the Supreme People's Procuratorate affirmed and popularized the anticorruption bureau set up by the Guangdong Provincial People's Procuratorate, which also received support from the party's Central Committee, the NPC Standing Committee, and the State Council. The vast majority of provincial people's procuratorates across the nation and some at municipal and county levels also successively established anticorruption bureaus based on the former economic procuratorial organizations. After adjusting structure, improving investigation capability, increasing technical equipment, strengthening centralized and unified command, and intensifying secret investigations, these bureaus have been able to build a specialized anticorruption squad capable of carrying out anticorruption work on a regular and modernized basis. After several years of practice, they have markedly enhanced their capability for investigating, solving, and preventing crimes, initially shaping a system of investigating and handling corruption cases. The establishment of anticorruption bureaus within procuratorial organs will help strengthen legal supervision of corrupt practices among state work personnel. This is a long-term, complicated, and important measure taken against corruption and bribery and a concrete realization of legal supervision.

—We introduced an internal double-check system [nei bu shuang chong zhi yue zhi du 0355 6752 7175 6850 0455 4766 0455 1653]. Since 1989, procuratorates at various levels have introduced an internal double-check system, separating investigations, preliminary examinations from examinations, arrests, and prosecutions, to be placed respectively under the administration of the anticorruption bureau and the criminal prosecution department. Complaints about nonprosecution should be referred to the prosecuting department of a higher

procuratorate. The introduction of this system has effectively prevented and reduced discrepancies and mistakes, and also made it easier to trace and correct them, if any.

- We intensified propaganda. Efforts were made to release the results of investigations into corruption and bribery and to publicize state laws and party policies through such propaganda media as broadcasting, television, the press and journals, and video tapes, or in the form of exhibitions and news briefings. The Supreme People's Procuratorate and local procuratorates at various levels have sponsored a total of 129 large and medium-sized exhibitions on punishment of graft and bribery, with more than 7 million visitors. These exhibitions have enhanced the transparency of the struggle against corruption and bribery and aroused the people's enthusiasm to involve themselves in the campaign.
- We drafted the "Law on Punishment of Corruption and Bribery." In accordance with the legislation plans of the party's Central Committee and the NPC Standing Committee, the Supreme People's Procuratorate has formed a subcommittee to study and draft the "Law on Punishment of Corruption and Bribery." After investigation and scrutiny for more than two years, we have now completed the draft. However, further study and revision of the draft is currently under way in response to the new situation emerging from the establishment of a socialist market economic system.
- We cracked down on such economic crimes as tax evasion and resistance and fake trademarks. The close coordination among procuratorial organs, taxation departments, and industry and commerce departments has strengthened operations against such crimes as tax evasion and resistance, fake trademarks, and manufacturing and marketing fake and substandard merchandise. These operations have safeguarded state revenues, maintained order in the administration of industry and commerce, and protected the legitimate rights and interests of both consumers and enterprises. In the past five years, 38,091 cases involving tax evasion and resistance and 5,105 fake trademark cases were investigated, saving the state of some 770 million yuan in direct economic losses.

The struggle against corruption and bribery involves many facets of economic life. While handling cases, procuratorates at all levels should strictly draw the line between criminal and noncriminal offences, and continuously heighten their consciousness toward serving the needs of economic construction. We have summed up and popularized some of the more applicable experiences, which mainly are: 1. It is necessary to distinguish between criminal activities of corruption and bribery and normal social contacts; and distinguish between those which are legal and those which violate discipline and the law. In respect to criminal offences, we must resolutely investigate and deal with criminals whose crimes are supported by evidence. While we should never be soft in dealing with those cases, we should neither deliberately overstate a case

when determining its nature, nor seek to inflate the number of charges when convicting somebody of a crime. 2. Regarding activities involving giving or accepting "kickbacks" under a variety of names in violation of state regulations, emphasis should be placed on investigating criminal cases that involve lining one's pockets, and those that involve making purchases or selling fake and shoddy merchandise to obtain "kickbacks." 3. In respect to suspects holding important positions, prior to taking the necessary measures to enforce the law, we should propose to the party committee and government concerned to make timely personnel adjustments to avoid disruptions in work, as well as production and other business operations. At the same time, it is necessary to strictly maintain secrecy in investigations to prevent the target of the investigation from absconding for fear of conviction, and attention must be paid to safeguarding the reputation of the enterprise. 4. While carrying out investigation, we should not rashly freeze the bank account of the enterprise, and under the premise of not unduly affecting the investigation, we should allow the personnel under investigation to participate in essential production, scientific research, and business activities. 5. In cases where the distinction between offence and nonoffence is unclear or disputable, we should not hastily resort to legal actions to enforce the case; and we should promptly consult a procuratorate at a higher level if we are unsure. 6. It is necessary to vigorously strengthen the work of preventing corruption and bribery, and where loopholes are apparent on the part of the unit taking up the case, we should take the initiative of putting forward "a procuratorial proposal," and make efforts to push forward reform and seek to perfect the rules and regulations relating to the system of accounting, checking, supervision, and management, and to strengthen the preventive mechanism.

(2) We must severely and speedily crack down on all criminal activities, and carry out comprehensive management of public security. Taking stern actions to strike at serious criminal activities is another key task of procuratorial organs. It is necessary for procuratorates, public security, law courts, and judicial departments at all levels to mutually coordinate and sternly launch a "crack down" drive in a planned way with proper priorities under the unified leadership of the party and the government. From 1988 to the end of 1992, procuratorial organs nationwide handled applications for the approval of the arrest of 2,959,565 criminals submitted by various public security organs, and approvals have been granted after investigation for arrest of 2,568,250 criminals; handled prosecutions of 2,904,820 criminals submitted by public security organs; and investigated and redirected the cases of 2,507,247 criminals for public prosecution by the people's courts. In the course of granting approval for arrest and prosecution actions, procuratorates at all levels adhered to the principle of insisting on having a clear picture of the basic facts and conclusive evidence without getting entangled in minor details, quickly approving arrests, instituting prosecutions according to the law, and preventing unnecessary delays and loss of opportunities to take necessary actions against the offenders.

- We must give priority to cracking down on violent offences. Procuratorates have consistently prioritized actions against serious criminal offences, including murder, robbery, bombings, thefts of firearms, armed offences, rape, and gansterism, as well as against various criminal groups and cliques of an underground nature. This led to the arrest of 871,922 criminals with the approved arrest of 102,083 criminals associated with criminal groups and gangs. Procuratorial organs actively participated in curbing the turmoil and quelling the counterrevolutionary rebellion in the district of Beijing between the spring and summer of 1989.
 - We actively cracked down on theft, pornography, and the "six vices" [prostitution; manufacture, sale, or dissemination of pornography; abduction or sale of women or children; illicit drug cultivation, abuse, or trafficking; gambling; and cheating or harming people through feudal or superstitious practices]. By earnestly implementing the NPC Standing Committee's "Decision on Banning Narcotics," the "Decision on Punishing Criminals Engaged in Smuggling, Manufacturing, Producing, Peddling, and Spreading Pornographic Materials," the "Decision on Severely Punishing Criminals Who Abduct, Kidnap, or Sell Women or Children," and the "Decision on Strictly Prohibiting Prostitution," procuratorial organs have cracked down hard on criminals detested by the masses who corrupt public morals and jeopardize public order. In the past five years, the procuratorates approved the arrest of 1,256,518 people suspected of theft and instigated proceedings against 1,228,612 of them; approved the arrest of 119,181 criminals engaged in smuggling, trading, transporting, and manufacturing narcotics; in producing, peddling, and spreading pornographic materials; in sheltering, forcing, or inducing women into prostitution; in abducting, kidnapping, or selling women and children; in gambling; and in using feudal superstitions to defraud people of their money and belongings.
 - We stepped up procuratorial work related to state security. Procuratorates stepped up investigation of covert enemy activities and, using the law as a weapon and working in close coordination with public security and state security organs, cracked down on counterrevolutionary activities aimed at subverting the government and jeopardizing state security as well as activities such as infiltration, sabotage, and stealing of secrets by hostile forces outside the country or outside the Chinese territory, thereby safeguarding state security and public order.
 - We carried out supervision over investigative activities of public security departments according to the law. Over the past five years, procuratorates at all levels—while persisting in prompt approvals of arrests and prompt proceedings against criminals according to the law—decided not to approve the arrest of 225,625 people where custody was uncalled for or the acts did not constitute a crime; and decided not to start proceedings against 15,388 people who should not have been held responsible for crimes. They also arrested 39,029 wanted criminals and filed additional charges against 20,664 of them. They put forth 43,817 suggestions to correct violations of the law by public security organs in the process of investigations. They regard getting involved in the early stages of investigations by public security or state security organs of major, exceptionally serious criminal cases and in pretrial preparations to be an important way to strengthen supervision over investigations and have worked to incrementally institutionalize it.
 - We earnestly supervised, according to the law, the administration of justice by people's courts. Procuratorates have trained, through various channels, fine public prosecutors and raised the level of public proceedings. When people's courts opened trials on public proceedings started by the procuratorates, they dispatched personnel to the courts to support public prosecution. They put forth 12,962 suggestions correcting violations of the law in the judicial activities of people's courts, as well as 10,280 protests and complaints against erroneous judgments and rulings of people's courts.
 - We earnestly improved all facets of public security. The principal measures taken by the procuratorates are as follows: Giving publicity to the legal system by making use of the cases they have handled; offering "procuratorial suggestions" with regard to the hidden troubles in units where misdeeds have occurred; educating and watching people exempt from prosecution; establishing contact points for comprehensive improvement of public order to keep abreast of developments in society; stepping up efforts in prevention, education, and redemption with regard to juvenile crimes; conducting social surveys and specialized research projects on crime-causing factors; and coming up with preventive measures.
- (3) Procuratorates earnestly investigated cases involving violations of citizens' democratic rights and malfeasance.
- Investigating and dealing with offenses against citizen's democratic rights and cases of criminal responsibility in connection with malfeasance in accordance with the provisions of the Constitution and laws is a major responsibility of procuratorial organs. In 1988, the Supreme People's Procuratorate restored the law and discipline procuratorial division. Local procuratorates at all levels also set up law and discipline procuratorial units and have strengthened work in this area step-by-step. Over the past five years, the procuratorates handled 9,060 major cases of "violating rights" and malfeasance, of which nearly 2,482 were extremely serious ones, and punished 614 officials above the county level and recouped direct economic losses totaling 400 million yuan for the state.
- Procuratorates at all levels have paid particular attention to cases involving extorting confessions by torture, bending the law for personal gain, infringing upon citizens' freedom of communication by letters, frame-ups with false accusations, and sabotaging elections with a view to safeguarding the democratic rights of citizens and their right of person. Over the past five years, the procuratorates have

placed on file for investigation 1,687 cases involving extorting confessions by torture committed by the police and judiciary workers, and 709 cases involving bending the law for personal gain. Meanwhile, they have also handled more than 15,297 cases of illegal detention resulting from economic, marriage, family, and inheritance disputes. It is stipulated in China's Constitution and laws that all Chinese citizens fully enjoy the rights of democracy and freedom under the effective protection of laws. Procuratorates have made prompt investigations into any actions found to infringe upon citizens' rights and in case the act constituted a crime brought criminal proceedings against offenders according to law. It is utterly unjustified and groundless for some Western countries to attack China on the issue of "human rights."

Procuratorates at all levels earnestly investigated criminal cases involving dereliction of duty that caused major accidents. By using the law as a weapon to fight bureaucracy, they safeguarded the normal operations of state organs and the order of economic management.

(4) We actively carried out procuratorial work regarding jails, military affairs, railway transportation, accusations and appeals, and the administration of civil cases.

—We actively reinforced supervision over the implementation of court decisions and rulings and law enforcement activities in jails and reformatories. People's procuratorates at all levels set up 66 procuratorial branches and 711 procuratorial offices in reform-through-education and reeducation-through-labor facilities and 1,993 procuratorial offices in detention centers. These procuratorial organs cooperated with prison and reformatory authorities in cracking down hard on "prison chiefs and bullies" to safeguard order in reform facilities, supervise and enhance the civilized administration of criminals and personnel undergoing reform through education, and improve prison facilities.

—Military procuratorates at all levels promptly cracked down on criminal activities in the military, actively participated in preventing crimes and all-around improvement of public security to protect soldiers' legitimate rights and interests, thus contributing to the construction of the People's Army.

—Procuratorial offices in railway transportation departments at all levels indicted 46,395 criminals who committed crimes in trains, railway stations, and along railways, of which 44,733 were arrested, thereby dealing a severe blow to "train robbers and railway bandits." We also investigated 3,329 cases of embezzlement and bribery in railway departments, making positive contributions to safeguarding railway transport safety and improving ethical conduct in railway departments.

—Procuratorial work for accusations and complaints has been strengthened. Accusation and complaint cases have been conscientiously handled. A total of 936,021 visits and 3,572,654 letters from the masses have been handled. A batch of group complaint cases has been

properly handled. As a result, contradictions have been solved and unstable factors reduced.

—In accordance with the regulations of the "Civil Procedure Law" and the "Administrative Procedure Law," procuratorial organs at all levels, in light of the "active, conscientious, and proper" principle, have spared no effort in training cadres and overcoming difficulties. They have initially launched the legal supervision of civil trials and administrative proceedings.

—Great importance has been attached to the application of modern scientific and technological means in handling cases. A total of 1,273 procuratorial technology centers have been set up in all provinces, prefectures, cities, and some counties. A total of 20 scientific organs, staffed by 5,500 technical personnel of various kinds, have been established. With the help of scientific and technological means such as inspections, appraisals, on-the-spot examinations, and document examinations, the quality and efficiency of case handling have been improved.

—The Supreme People's Procuratorate alone has promulgated 48 judicial interpretation documents. The Supreme People's Procuratorate and the Supreme People's Court have jointly promulgated 65 judicial interpretation documents. Chief procurators at all levels have taken the lead in going deep into the realities of life, in conducting investigation and studies, in paying attention to scientific decisionmaking, and in handling cases strictly in accordance with the law.

—"ZHONGGUO JIANCHA BOA" [CHINA PROCURATORIAL NEWSPAPER 0022 0948 2914 1390 1032] has been launched. The China Procuratorial Publishing House and the Research Institute of Procuratorial Theories have been formed. Publicity has been given to the policies of the party and the state, as well as to the laws. Efforts have been made to strengthen the study of the socialist procuratorial system with Chinese characteristics and to promote procuratorial work.

—Friendly contacts have been launched with procuratorial and judicial organs in foreign countries and in places outside China's jurisdiction. Procuratorial and judicial assistance relations have been established with some other countries. Cooperation with commissions against corruption in Hong Kong and Macao has been launched to help each other investigate individual cases.

(5) Procuratorial organs in accordance with the law were built up, strict discipline among procuratorial personnel was enforced, and the building of procuratorial ranks was strengthened.

We have adhered to the principle of conducting, among the broad masses of cadres and police, education on basic theories of Marxism-Leninism-Mao Zedong Thought, Comrade's Deng Xiaoping's theory of building socialism with Chinese characteristics, and the party's basic line. Last year, we also focused on conducting education on accelerating the pace of reform, opening up, and economic

development and on establishing a socialist market economic system. We also have conscientiously conducted education on legal responsibilities, professional ethics, and procuratorial discipline. We have launched ideological and political work by maintaining close ties with the realities of procuratorial work. The building up of the leading group has been strengthened by training fine middle-aged and young cadres and selecting them to enter into the leading group. Activities aiming at encouraging procuratorial personnel to be the first in creating good records have been launched. Efforts have been made to publicize the heroic exemplary deeds of integrity and unselfishness among procuratorial personnel. A total of 401 advanced collectives and 612 advanced individuals have been commended nationwide. A total of 15 procuratorial cadres and police have been commended by the state, and eight of them have been named as national labor models. A total of 2,498 advanced collectives and 7,512 advanced individuals have been commended by authorities at the provincial level.

In the winter of 1988, we established the principle of strictly administering procuratorial organs and set the goal of fostering professionally competent procurators who would take firm stands, handle cases according to law, enforce the law impartially, strictly implement policies, seek truth from facts, and maintain ties with the masses. In 1989, we promulgated the "Disciplinary Rules Governing Procuratorial Personnel" consisting of "eight imperatives and eight prohibitions." We conducted annual general inspections of law and discipline enforcement efforts. Procuratorial departments set up discipline inspection and supervisory organs to investigate and sternly deal with a handful of policemen who had violated laws and disciplinary rules. We carefully screened the qualifications of new recruits and firmly removed unqualified procuratorial personnel, thereby preserving the purity of the procuratorial ranks.

The Supreme People's Procuratorate established the Central College of Procuratorial Management and the China Training Center for Senior Procurators, which have trained 3,354 chief procurators at all levels and reserve cadres. Nationwide, we established 24 procurator training centers and five procuratorial cadre schools, which have trained 45,000 cadres at all levels. More than 100,000 procuratorial personnel took televised college courses, college courses in their spare time, correspondence courses, and courses leading to special certificates. By the end of 1992, cadres with college or higher academic credentials accounted for 60 percent of the total number of cadres. Since last year, we have strictly implemented the pre-job training system, providing training to 330 newly appointed chief procurators at the provincial or municipal level before they assumed their posts.

Thanks to reform, we have made new progress in creating new organs under county-level procuratorates. Nationwide, we have established 1,020 procuratorial offices in key villages and towns and set up 2,613 procuratorial offices in charge of taxation affairs. These grass-roots procuratorial offices have played an important role in strengthening cooperation between procuratorial organs

on the one hand and public security organs and courts on the other in handling cases. They have also played an important role in maintaining ties with the masses and providing information. The Supreme People's Procuratorate has begun to amend the "Organic Law of People's Procuratorates." The amendments will be forwarded, as quickly as possible, to the legislative body for deliberation.

The Supreme People's Procuratorate has drafted "Regulations Governing Procurators" in accordance with the party Central Committee's arrangements and the NPC Standing Committee's legislative plans. It has submitted the regulations to the legislative body for deliberation.

Our achievements in procuratorial work over the past five years have resulted from our implementation of the party's basic line under the party Central Committee's correct leadership, under the effective supervision of the NPC and its Standing Committee, and with the State Council's solicitous support. They are the result of hard work and dedication on the part of procuratorial cadres and police officers.

Since the Third Plenary Session of the 11th CPC Central Committee, procuratorial organs have, under the party Central Committee's leadership, carried out a great deal of productive work during the course of reconstruction, thereby laying the foundation for work during the current term. Over the past few years, we have blazed new trails, tried new things, and made progress in procuratorial work during the course of reform. More and more cadres and people have come to recognize and understand the character of procuratorial organs with respect to legal supervision, as well as the tasks and actual work of these organs. We have formed the beginnings of a socialist procuratorial system with distinctive Chinese features. Practice shows that the functions of people's procuratorial organs in exercising legal supervision—as part of the historic task of building socialist democracy and legal institutions—have played an irreplaceable role in safeguarding the unity of state laws; in ensuring the correct implementation of these laws; in promoting smooth progress in reform, opening up, and socialist modernization; and in safeguarding national security and social stability. Procuratorial organs and personnel have been tempered and tested by trying situations at home and abroad. By adhering to the four cardinal principles, faithfully upholding the truth, faithfully implementing the constitution and the law, and constantly improving their political awareness and professional skills, the broad ranks of procuratorial personnel have become a law-abiding and law-protecting contingent which enjoys the trust of the party and the people.

A review of our work in the past five years shows that quite a few shortcomings and problems exist. They are reflected mainly in the following: The ideology, understanding, and work methods of procuratorial organs and personnel still cannot cope with the new demand for accelerating reform, opening up, and modernization, especially for establishing a socialist market economic structure; work has proceeded unevenly in various places, and localities with similar conditions show a big difference in the progress of their

work; leadership relations between procuratorial organs at higher and lower levels, which are prescribed in the Constitution and other laws, have not been fully implemented and should be further standardized and institutionalized; in a few places, laws are not strictly enforced, and authorities are bypassed and criminal measures are taken to interfere in economic disputes; and individual leaders lack the courage to perform duties impartially and to overcome difficulties, showing a soft attitude in the face of interference. In handling cases, we are still short of funds and poorly equipped with technical, transportation, and communications means. We should overcome these shortcomings in our future work and gradually solve existing problems and difficulties.

II. Problems in Procuratorial Work That Deserve Attention

Procuratorial organs must unswervingly implement the party's basic line and revolve the central task of economic construction in carrying out work. The Ninth National Procuratorial Conference convened last May gave a preliminary summary of experiences in serving economic construction by building a socialist procuratorial system with Chinese characteristics. In line with the new requirements for procuratorial work and for the construction of the legal system set by the 14th CPC National Congress last October, procuratorial organs should pay attention to the following points of future work:

(1) It is necessary to adhere to the guiding ideology of gearing procuratorial work to the needs of economic construction and in resolutely implementing the principle of "grasping two links at the same time." Procuratorial organs can best serve economic construction by drawing a clear line of demarcation between the guilty and the innocent and by resolutely and accurately cracking down on various economic crimes. To dialectically combine cracking down on crimes on the one hand and serving the needs of economic construction on the other, procuratorial organs should always bear in mind the need to protect the lawful rights and interests of business operators while cracking down on crime, and to maintain normal economic order while handling cases.

(2) It is necessary to exercise procuratorial powers independently and according to the law, and continually strengthen the legal and supervisory functions. While handling cases, it is necessary to strictly abide by the principle of basing everything on facts and using the law as a yardstick, and apply laws equally to all citizens without exception. It is also necessary to resolutely resist local protectionism of substituting what one says for the law and penalties for sentences, ~~so as to~~ to guarantee the unified and correct implementation of ~~state~~ laws and to uphold the dignity of the constitution and laws.

(3) Insist on combining specialized work with the mass line. We should rely on the masses to expose, investigate, and testify against crime; organize various discussion meetings to seek views from people from various sectors, including entrepreneurs, scientific and technical personnel, and party and government cadres; invite people to

come to our offices to offer criticism or proposals, or we ourselves go to the grassroots for the same purposes; organize special procuratorial personnel to promote procuratorial activities; and conscientiously attend to views given by various democratic parties and democratic personages without party affiliation. On the basis of working widely with the masses, we should systematically improve professionalism in areas such as investigations, arrests, preliminary examinations, prosecutions, prison procuratorates, reports, and accepting prosecution petitions. It is particularly important to strengthen investigations and continuously enhance our capability in collecting evidence for solving cases.

(4) Insist on severely cracking down on serious economic crimes. Based on the principle of "firmness, caution, and accuracy," we must be firm in cracking down on crime; however, we should be cautious and accurate in determining and classifying a crime. We need both caution and accuracy to ensure effective cracking down on crimes. We should take severe and prompt action against serious criminals and other elements endangering state security according to law, and actively promote the comprehensive control of social order. In cracking down on various offenses, we should make sure that the blow is serious enough and that investigations are not too simple and harsh. We should clearly differentiate between the two categories of contradictions with different natures to avoid using dictatorial methods in handling contradictions among people and to prevent the application of criminal law in dealing with mistakes that surface from reform and opening up.

(5) Insist on strict law enforcement. To correct others, we have to correct ourselves first. Procuratorial organs and their personnel should act as models in strictly enforcing the constitution, laws, and policies and should voluntarily subject themselves to supervision by people's congresses at various levels, their standing committees, and the masses. They should also stick to the principle of punishing offenses and rectifying mistakes.

(6) Insist on emancipating the mind and seeking truth from facts. We should closely combine the principle of handling things strictly according to law and conscientiously implement the policies of the party and the state, and we should study new conditions and problems that arise from the new situation with a view to offering timely legal interpretations or legislative recommendations.

(7) Adhere to and perfect the system under which higher-level procuratorates lead lower-level ones according to law. Higher-level procuratorates, while intensifying their leadership over professional work, should assume actual responsibilities in leading lower-level ones in such areas as ideological and political work, organizational setups, personnel arrangements, cadre training, appointments and removals of chief procurators, and materials and equipment, and they should overcome bureaucratism and formalism. Thus, procuratorial organs will advance in step and will be able to pool their strength and to enhance their overall law-supervising functions.

(8) We have been persistent in strengthening ideological and political work and in building up the rank and file. The strategic task and the fundamental way of enhancing the quality of procuratorial personnel and their combat effectiveness is the building of various kinds of procuratorial schools in a planned way to train cadres. Meanwhile, it is necessary to correctly organize the routine study of political theories. We should keep up the work of conducting antibourgeois liberalization education and struggle. Efforts should be made to improve ideological, leading group, and clean government-building work. Leaders of procuratorates at all levels should treat ideological and political work as an important guarantee for doing a good job and for accomplishing a task.

III. Our Tasks in the Future

Guided and encouraged by the important speeches made by Comrade Deng Xiaoping in early 1992 and the guiding spirit of the plenary meeting of the Political Bureau of the CPC Central Committee held in March 1992, China has entered into a new and invigorating stage in its drive of reform, opening up, and socialist modernization. The 14th National CPC Congress—a meeting of important historic significance—has formulated a grand program for achieving greater success in socialist endeavors with Chinese characteristics. The whole nation is in high spirits and advancing in unison. The great earth of the motherland is full of life and vigor. The state enjoys a stable political situation and society is peaceful. The social order in a majority of localities across the country is good or fairly good. In a few localities, and in a few aspects, rampant criminal activity has been initially checked and contained after having launched special struggles against and severe crackdowns on crime. Major efforts have been made to improve the social disorder that has occurred in an extremely small number of places. Achievements have been made in building a clean government. Most of the state's public functionaries are honest in performing their official duties. An extremely small element that has broken laws and violated discipline by degenerating themselves have been severely dealt with; however, we should be keenly aware of the fact that because of domestic factors and international influences, class struggles will exist for a long time in certain aspects of our society and could even be exacerbated under certain conditions. Faced with a new and complicated situation, we should be prepared for a long-term struggle against various crimes. In our future work, we should unswervingly continue to carry out Comrade Deng Xiaoping's principle of "doing two types of work at the same time." In light of the guiding spirit of the 14th National CPC Congress, we should be resolute in punishing those engaged in economic criminal activities. We also should be resolute in cracking down on hostile elements and various kinds of criminal activities. We should seriously investigate and deal with the crime of violating citizens' democratic rights and the crime of misconduct in office. By so doing, we can safeguard the smooth progress of reform, opening up, and modernization. Meanwhile, we should never relax our vigilance that the struggle between peaceful evolution and antipeaceful evolution will continue for a long time to come.

The Supreme People's Procuratorate will lead local people's procuratorates at various levels, special people's procuratorates, and broad masses of procuratorial personnel to be united more closely around the CPC Central Committee with Comrade Jiang Zemin as the nucleus, to further emancipate our minds, and to seek truth from facts. Guided by the spirit of the 14th National CPC Congress, we will strengthen the function of legal supervision, strictly enforce the law, accelerate the reform and building up of our own organizations, try our best to perform various tasks, promote socialist democracy and the construction of the legal system, safeguard the state's stability and social order, and make new contributions to the cause of accelerating the pace of reform, opening up, and socialist modernization.

Supreme People's Court Work Report

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["Supreme People's Court Work Report," read by Ren Jianxin, president of the Supreme People's Court, in Beijing at the First Session of the Eighth National People's Congress on 22 March]

[Text] Beijing, 5 Apr (XINHUA)—Report on the Work of the Supreme People's Court

—Delivered at the First Session of the Eighth National People's Congress [NPC] on 22 March 1993

[By] Ren Jianxin, president of the Supreme People's Court
Fellow deputies:

During the Seventh NPC, people's courts at all levels and special courts in charge of military affairs, maritime affairs, and railway transportation throughout the country earnestly carried out the party's basic line of "one central task and two basic points" and faithfully implemented the Constitution and the law. Working closely around the central task of economic construction, they strengthened all aspects of judicial work in criminal, civil, economic, administrative, maritime, and other affairs; further improved judicial work; and played a positive role in safeguarding social stability, in protecting the legitimate rights and interests of citizens and legal persons, and in promoting reform, opening up, and economic construction. I now submit the following report, for your deliberation, on the main aspects of work carried out by people's courts over the past five years and on opinions regarding future work:

I. The Administration of Justice in Criminal Cases

Over the past five years, people's courts conscientiously performed their duties as organs of the people's democratic dictatorship and dealt a harsh blow, in accordance with the law, to various criminal activities that gravely jeopardized public order and seriously undermined economic order. Nationwide, courts accepted and heard 2,016,357 criminal cases during first-instance proceedings; of these, 422,991 were accepted and heard in 1992. The number of such cases rose by an average 7.9 percent

annually. Over the past five years, hearings on 2,011,671 cases were concluded, with the verdicts against 2,438,217 criminals becoming legally binding. Of the total number of criminals, 34.9 percent were sentenced to five years or more in prison, life imprisonment, or death (including suspended sentences); 63.3 percent were sentenced to less than five years in prison or placed under detention and surveillance; 1.4 percent were exempted from criminal penalties; and 0.4 percent were declared innocent.

(1) We Cracked Down Hard on Criminal Activities That Gravely Jeopardized Public Order, and Maintained Social Stability

Over the past five years, people's courts at all levels cracked down hard on criminal activities that gravely jeopardized public order, in accordance with the principle of meting out harsh punishment expeditiously according to the law. Together with public security and procuratorial organs, they waged nationwide, intensive "combat" and launched specific battles in various localities. They meted out harsh punishment, in accordance with the law, against criminal elements involved in murder, robberies, explosions, rape, hooliganism, "highway banditry," and vandalism against transportation, communications, and electric power installations. Specifically, they meted out severe punishment against underworld criminal gangs. They conducted trials, in accordance with the law, against the counterrevolutionary rebellion that occurred in Beijing in the late spring and early summer of 1989, as well as criminal cases arising from political turmoil [zheng zhi dong luan 2398 3112 0520 0052] in some localities. Over the past five years, courts nationwide concluded first-instance hearings on 750,744 criminal cases that gravely endangered public order. The verdicts against 1,107,816 criminals became legally binding; of these criminals, 244,820 were sentenced in 1992.

Over the years, the number of thefts ranks first among the various kinds of criminal cases. People's courts at all levels attach great importance to severely cracking down on the criminal activity of theft by actively participating in a three-year anti-theft campaign across the country—a decision made by the Central Committee on Comprehensively Dealing With Public Security in September 1991. In accordance with law, they have severely punished leading elements of theft groups, major thieves, habitual thieves, and fleeing criminals. They also have paid attention to cracking down on those who dispose of stolen goods. Over the past five years, courts across the country have examined and decided a total of 774,528 cases, rendering sentences to 1,142,961 criminals engaged in theft, including 206,729 people in 1992.

Over a period, coercing, accommodating for, and sheltering women for the purpose of prostitution; abducting and selling women and children; smuggling; drug trafficking; manufacturing and propagating obscene material; and group gambling have been quite serious. In November 1988, the Supreme People's Court issued a circular urging people's courts at all levels to treat the work of cracking down on these criminal activities as an important task in

their criminal judgment work. Conscientiously carrying out the "Decision on the Prohibition of Drugs"; the "Decision on Punishing Criminal Elements Who Are Engaged in Smuggling, Manufacturing, Selling, and Propagating Obscene Material"; the "Decision on the Severe Prohibition of Prostitution and Whoring"; and the "Decision on Severely Punishing Criminal Elements Who Abduct and Sell Women and Children" made by the NPC Standing Committee, courts across the country have examined and decided 69,060 cases of such criminal activities, rendering sentences against 101,367 criminal elements, including 24,879 people in 1992. In view of the fact that drug trafficking is rampant in Yunnan's border area, and in order to severely punish criminal elements in a timely fashion, the Supreme People's Court authorized the Yunnan Provincial Higher People's Court, in accordance with the law, to approve the death penalty in drug trafficking cases in June 1991. Around "International Drug Prohibition Day" in 1991 and 1992, local courts in Yunnan, Guizhou, Guangdong, Gansu, and Guangxi respectively held open adjudication meetings and severely rendered sentences in accordance with the law to a group of drug traffickers as well as publicly destroyed a batch of drugs.

People's courts at all levels have conscientiously carried out the "Decision on Strengthening the Work for Comprehensively Dealing With Public Security" made by the NPC Standing Committee by actively participating in the work of comprehensively dealing with public security in various forms. The propagation of and education regarding the legal system has been launched through open trials. Judicial suggestions have been offered to relevant units on some loopholes in their management which have been found in the course of investigations. In dealing with juvenile crimes we have adopted educational, reformatory, and remedial approaches in a bid to apply education in judicial judgment and to integrate punishment with education. When conditions permit, more probation and surveillance sentences will be properly rendered in accordance with the law to criminal elements who have committed minor crimes in a bid to reform them with the help of the masses. Over the past five years, courts across the country have rendered probation and surveillance sentences to 258,285 people. Mitigated penalty and release on parole have been awarded to criminal elements who have shown a sincere attitude toward repentance or who have performed meritorious deeds during their reform-through-labor period. Over the past five years, courts across the country have handled 932,542 mitigated penalty cases and 104,237 parole cases.

(2) We Maintained Economic Order by Waging a Deep Struggle To Crack Down on Serious Economic Crimes

Upholding the policy of handing down severe penalties in accordance with the laws, the people's courts at all levels handled and punished a number of serious economic criminals in the past five years. Law courts throughout the country tried and closed a total of 169,777 cases of economic crimes at first trial. Except for those cases in which an appeal is being lodged, that were returned to the

procuratorates for supplemental investigation, or that were withdrawn, law courts handed down verdicts with legal effect on 148,145 convicts. Among them, 33,280 were punished in 1992. Law courts saved 2.8 billion yuan worth of direct economic losses for the state in the past five years.

To promote the campaign for running a clean government, the people's courts persisted in looking upon punishment of state employees for their crimes of corruption and taking bribes as the focal points of their crackdown, and conscientiously implemented the "Supplemental Regulations on Punishing Those Who Are Found Guilty of Corruption and Taking Bribes" adopted by the NPC Standing Committee. The people's courts tried and closed a total of 101,831 corruption and bribery cases in the past five years. Except for those cases in which an appeal is being lodged, that were returned to the procuratorates for supplemental investigation, or that were withdrawn, they handed down verdicts with legal effect on 77,547 convicts. The Supreme People's Court and the Supreme People's Procuratorate jointly issued a "Circular Requiring Criminals Guilty of Corruption, Taking Bribes, and Engaging in Speculation and Profiteering To Voluntarily Surrender Themselves to the Authorities and Confess Their Crimes Within the Specified Time" on 15 August 1989 in order that the struggle to crack down on economic crimes may be waged in depth. The people's courts in all areas pronounced some lenient and stiff verdicts on certain typical cases in a timely fashion. They prompted a number of economic criminals to surrender themselves to the authorities and confess their crimes, thereby producing relatively good results.

Resolutely enforcing the "Supplemental Regulations on Punishing Those Who Are Guilty of Smuggling" and other laws passed by the NPC Standing Committee, the people's courts increased the crackdown on smuggling, swindling, tax evasion, counterfeit of state currency, and other criminal activities that seriously disrupt the economic order. The illegal, criminal activities of producing and selling bogus commodities of inferior quality ran rampant in recent years. The people's courts at all levels severely punished those who were found guilty in the criminal cases of producing and selling bogus commodities of inferior quality in accordance with the laws in a timely fashion. They resolutely handed down stiff sentences on those who deserved severe punishment, imposed fines on them, and confiscated their properties in accordance with the laws, thereby preventing criminals from gaining any economic benefits.

The people's courts stressed successful handling of the trial of important cases in carrying out their work of court trials. Some important cases involved crimes committed by leading cadres of state organizations, enterprises, and institutions, and were thus very harmful to society. Law courts throughout the country pronounced verdicts on 25,602 persons found guilty on charges of corruption and bribery involving amounts in excess of 10,000 yuan in the past five years. Among them, 1,003 persons were guilty of corruption and bribery involving amounts between 100,000 and 500,000 yuan; 54 persons were guilty of

corruption and bribery involving amounts between 500,000 and 1 million yuan; and 31 persons were guilty of corruption and bribery involving amounts above 1 million yuan. The largest amount involved in such economic crime was 3.13 million yuan. The corruption and bribery cases involved 638 cadres at and above the level of county (department). Among them, 38 cadres were at the level of department (bureau) and four cadres were at the level of province (ministry).

While handling economic criminal cases, people's courts adhered to the principle of "emphasizing, first, resoluteness and, second, prudence in ensuring accuracy" in clearly differentiating between cases of those that were guilty and those that were not. After investigations and studies, the Supreme People's Court developed in good time criteria to distinguish the guilty from the innocent, especially in handling cases involving enterprise managers and technical personnel. Where the laws and policy regulations did not provide clear stipulations, cases were handled in a prudent manner. People who committed mistakes in taking bold steps in reform were generally not given a verdict of guilty. People who had consistently performed well, or made outstanding contributions, and had assumed a good attitude in acknowledging guilt were treated leniently according to the law; and when a sentence was passed on to people who were especially needed in production, management, and scientific research, a temporary suspension of the execution of the sentence was granted.

At present, the problem of "substituting a penalty for a sentence" remains unsolved in cracking down on economic crimes. Some cases that should have been sentenced by courts ended up by receiving administrative or economic penalties from relevant departments, instead of being indicted and transferred to courts, thus allowing some criminal offenders to avoid their due punishment. For example, courts throughout the country handled only a total of 297 smuggling cases in 1992, whereas the statistics of one department alone show that it uncovered and affixed the criminal responsibilities on a total of 1,456 smuggling cases in the same year. The main cause for "substituting a penalty for a sentence" lies in, first, the motivation for interests of departments, or the mentality that whoever delivers smuggled goods receives actual benefits; second, the lack of mechanisms for constraint and supervision; and third, inadequate systems. We hope to take strong measures to effectively cure this problem.

II. On Economic and Maritime Adjudication

People's courts at all levels adjusted economic relations and maintained economic order through adjudication; they took an active part in economic improvement and rectification; they worked hard to serve the efficient operation of state-owned large and medium enterprises, the development of the rural economy, and the acceleration of reform, opening up, and economic construction. In the past five years, they accepted a total of 3,016,608 first-time cases involving economic disputes, 650,601 of which were accepted in 1992, averaging an annual increase of 12.2

percent. People's courts concluded 2,996,496 such cases, and the total sum of money awarded in the lawsuits concluded was 106.914 billion yuan.

(1) We stepped up the adjudication of cases involving disputes over economic contracts, banking, industrial property rights, and technology contracts for promoting the development of markets. In the past five years, people's courts throughout the country adjudicated and concluded 909,678 cases involving disputes with sales contracts, 214,093 cases of which were concluded in 1992. People's courts properly handled disputes caused by a failure to fulfill contracts or by default of payments for goods as a result of screening and consolidating companies, of sluggish market sales, or changes in prices; and maintained market order by sternly handling violations of law in manufacturing and marketing fake and shoddy products.

People's courts earnestly handled cases involving disputes over loan contracts and took an active part in clearing "debt chains." In the past five years, they concluded a total of 998,552 such cases, 182,980 cases of which were concluded in 1992; and they recovered more than 20 billion yuan in bank loans for the state, thereby effectively supporting the banking institutions' efforts to recall loans. In recent years, courts in the special economic zones and coastal open cities have broadened the realm of economic adjudication by concluding a number of new cases involving disputes in stocks, bonds, negotiable notes, loans, and leases that cropped up in the course of deepening reform and opening wider to the outside world.

Earnestly implementing the Patent Law, Trademark Law, and Technology Contract Law, people's courts adjudicated and concluded 6,796 cases involving disputes in patents, trademarks, and technology contracts, 1,808 cases of which were concluded in 1992. People's courts attached great importance to the judicial protection of industrial property rights and technology rights and interests, and meted out lawful punishments for encroachments on patents and the exclusive rights of others' registered trademarks; they also properly handled cases involving disputes with technology contracts to facilitate the commercialization of scientific research products and their transformation into practical productive forces.

(2) We stepped up efforts in handling cases involving the contracting and leasing of enterprises and bankruptcies to help facilitate the shift of enterprise operational mechanisms. In the administration of justice, people's courts strictly enforced state regulations concerning legal persons and protected enterprises' rights to independent operations. Following the 1992 promulgation by the State Council of the "Regulations Concerning the Transformation of Operational Mechanisms of State-Owned Industrial Enterprises," the number of disputes over contracting and leasing of enterprises and bankruptcies rose quickly. In 1992 alone, the courts concluded 8,620 cases arising from enterprise contracting and leasing disputes and 265 bankruptcy cases, up 365 percent over the previous year.

(3) We stepped up efforts in handling cases involving rural economic disputes to help promote rural economic development. In the five years, courts across the country concluded 176,705 cases involving contract disputes in rural areas, of which 51,036 cases were concluded in 1992, registering an average annual increase of 20.7 percent in the number of cases. Through their adjudication of cases in this category, the courts have helped stabilize the household contract responsibility system with remuneration linked to output and bring about constant improvement of the dual management system that combines household operations with collective operations. People's courts at all levels have also promptly handled economic dispute cases involving village and township enterprises, thereby facilitating their development.

(4) We stepped up enforcement of court decisions. Over the past five years, under the leadership of party committees at all levels, the supervision of people's congresses, and government support, we have stepped up enforcement of people's courts' decisions. In 1992, the Supreme People's Court organized a nationwide review of transregional cases that were entrusted to it for enforcement. During the five years, courts across the country executed 1,191,152 decisions on economic disputes, thereby enforcing the sentences on most of the cases. However, many decisions were not enforced, and this remains a prominent problem for a number of reasons: 1) enterprises deep in the red are unable to pay their debts; 2) localities or departments that accord protection and intervention refuse to cooperate with people's courts in enforcing court decisions; 3) some parties involved in lawsuits lack a strong sense of law and want to dodge their obligations; and 4) the sentences of a handful of cases were unfair and could not be enforced. We ask people's courts at all levels to further strengthen enforcement work, keep the overall interests in mind, firmly resist and overcome local and departmental protectionism, safeguard the seriousness of the law, and the uniformity of the state's legal system, enforce the law impartially, and see to it that their decisions are correct. Efforts should be made to strengthen the courts in terms of personnel and organization and raise their level of enforcement work. We wish to see vigorous support from relevant departments in the enforcement of court decisions.

Over the past five years, China has made rather rapid progress in the handling of maritime cases. China is a major ocean-shipping power. More than 90 percent of China's imports and exports are shipped in or out via the ocean. The number of maritime cases and cases of maritime trade has increased daily, and the scope of cases accepted has also grown continuously. Over the past five years, the nation accepted 4,652 first-time maritime and maritime trade cases, registering an average annual increase of 36.7 percent. The categories of cases accepted have increased to 33, with parties involved in the suits coming from 38 countries and regions. In some cases, both of the litigant parties were foreign citizens or legal persons who filed suit with Chinese maritime courts. In the five years, 4,211 cases were concluded, of which 1,436 were settled in 1992. The total sum of money awarded in the lawsuits came to 1,238 million yuan. The trial of maritime

cases is a highly specialized area that often involves foreigners, and the applicable laws are quite complex. Maritime courts have constantly improved their case-handling quality and efficiency and have made a good impression internationally. To make things convenient for the litigant parties, some maritime courts set up subcourts in major port cities under their jurisdiction. The "PRC Maritime Trade Law" will go into effect 1 July 1993. Maritime courts and their appeal courts are doubling their efforts in studying the Maritime Trade Law and making other preparations for its implementation. The Maritime Trade Law involves many international conventions, protocols, and rules; its implementation will present an increasing demand on a uniform administration of justice; therefore, it is very important to set up higher maritime courts to handle second-time maritime and maritime trade cases under a unified plan. This question is currently under study, and, when the time ripens, will be submitted to the NPC Standing Committee for deliberation.

III. Concerning Work on Civil Proceedings

Civil rights are basic rights for citizens and legal persons. In light of economic developments, the gradual perfection of the legal system, and the continuous enhancement of legal awareness among citizens, civil proceedings have been on the rise year after year. In the past five years, courts across the nation initially handled 8,951,833 civil cases—more than 60 percent of the total of concluded cases. The number of cases heard in 1992 was 1,948,786, with an annual increase rate of 9.9 percent. Concluded cases amounted to 8,936,284. The implementation of such important laws as the General Code of Civil Law, the Civil Procedure Law, and the Copyright Law have further facilitated civil case proceedings. The accurate, timely handling of a large number of civil cases by the people's courts, which offered protection for the civil rights of citizens and legal persons according to law, has played a positive role in maintaining social stability, promoting production development, and building spiritual civilization.

(1) Hearing marriage, family, and succession cases according to law. Marriage and family cases accounted for one-half of the total of civil cases. In recent years, concept changes in marriage, family, and property relations have not only resulted in an increased number of divorce cases, but also in additional difficulties in solving such problems as property transfers, child custody, and housing allotments in the divorce process. In the past five years, courts nationwide have concluded hearings for 3,950,011 divorce cases, 329,761 of which involved the maintenance and custody of children and 107,109 of which were succession cases.

(2) Speeding up hearing of cases involving debt, real estate, and labor disputes. The deepening of reform and opening up has brought wider economic contacts among people, leading to a sharp increase in the number of debt cases, particularly cases involving loans. In the past five years, courts nationwide have concluded proceedings on 2,610,150 debt cases, and 263,609 of those cases involved

housing development and other housing disputes, while 80,732 of them were labor disputes cases. These cases have promoted the development of real estate and the labor market.

(3) Hearing cases involving copyrights and reputation [ming yu quan 0682 6235 2938] according to law. In the past five years, courts nationwide have concluded proceedings on 11,317 cases involving copyrights, reputation, the right for the use of a name, the right for the use of a surname and name, and the right of honor. The copyright is an important intellectual property right. Because China has joined international copyright conventions, including the Bern Convention, and also has signed bilateral agreements with some countries on copyright protection, copyrights enjoy more and more judicial protection in China.

(4) Appropriately handling cases involving land, forest, and irrigation disputes. In the past five years, courts nationwide have concluded hearings on 166,234 cases of this nature. Most of these cases were from rural areas, involving the reasonable use of resources, productive life of the masses, and armed gang fights resulting from the polarization of contradictions. The timely hearing of these cases by the people's courts has helped resolve contradictions, remove destabilizing factors, promote agricultural production, and maintain social stability in rural areas.

IV. On the Work of Administrative Adjudication

Launching the work of administrative adjudication has been an important indicator for improving China's procedural system, a major event in enhancing the socialist legal system, and an important step in building a socialist democracy. The publication of the Administrative Procedural Law in 1989 has ushered the work of administrative adjudication into a new stage. The scope of administrative procedures has continually expanded, and the number of cases involving administrative procedures has increased rapidly. In the past five years, China's courts have handled 84,305 administrative cases for first trial, registering an average annual increase of 35.5 percent. The cases have involved more than 30 administrative departments. The courts have completed the trial of 82,129 cases wherein the administrative organs' original decisions have been upheld in 34.1 percent of the cases. The administrative organs' original decisions have been revoked in 17.5 percent of the cases, and the administrative organs' original decisions have been changed in 3 percent of the cases. Also, 35.4 percent of the cases have withdrawn from the procedures, and 10 percent of the cases have been handled by other methods. Additionally, people's courts at various levels have also handled 131,328 applications by administrative organs for coercive execution.

While protecting the legitimate rights and interests of citizens, legal persons, and other organizations according to law in the course of executing the work of administrative adjudication, the people's courts have also safeguarded and supervised the administrative organs' functioning powers according to law. First, in the past five years, they have handled work in the following aspects: By

hearing cases involving encroachment on enterprise decisionmaking powers regarding production and operation, infringement on enterprise rights to market products, and violations of enterprise decisionmaking powers regarding investments, the people's courts have stopped illegal administrative behavior that infringed on enterprise's autonomous operational powers and have advanced changes in operational mechanisms in state enterprises, especially large and medium-scale enterprises. Second, they have increased their hearings on cases involving land, industry and commerce, taxation, and environmental protection; and have stopped illegal administrative behavior, including the indiscriminate establishment of checkpoints, and irregular fines, charges, and allocations, thereby boosting the production and circulation of commodities. Third, they have intensified their hearings on cases involving social order, shelter and review, and rehabilitation through labor, and have thereby protected the citizens' personal rights and their other legitimate rights and interests.

In the past five years, people's courts have begun the work of administrative adjudication from nothing, have explored and advanced, and have developed a preliminary framework; however, because the administrative procedural system was set up for a short time, some citizens and administrative organs have not fully understood the importance of administrative adjudication. At present, a situation exists in some localities whereby citizens and legal persons dare not sue; administrative organs are unwilling to become defendants; and even the people's courts are scared. Therefore, the further study, promulgation, and implementation of the Administrative Procedural Law still is and will be a very important task in the future. We urge people's courts at various levels to earnestly summarize experiences, to dare to surmount various interferences, and to handle cases in strict accordance with the law so as to advance the work of administrative adjudication to a higher level.

V. The Trial of Cases Involving Foreign Nationals and People From Hong Kong, Macao, and Taiwan

People's courts at all levels have attached great importance to cases involving foreign nationals, regarding them as a major task for facilitating opening to the outside world. Over the past five years, the courts handled 6,186 cases involving foreign nationals. When handling these civil and economic dispute cases, people's courts observed Chinese laws and international treaties China has signed or participated in, referred to international practices, used conflict norms, and solved the question of law applicability. The courts have adhered to the principle of equality for both Chinese and foreign parties in the applicability of laws and protected the legitimate rights of all parties according to law. Chinese courts have actively conducted judicial cooperation with foreign courts while handling civil cases involving overseas parties. China has signed judicial mutual assistance treaties with 13 countries. Treaties signed with France, Poland, Mongolia, and Romania have gone into effect. China also joined in the "Convention on Service Abroad of Judicial Documents and Extra Judicial

Documents in Civil or Commercial Matters" in March 1991. By the end of 1992, Chinese courts had entrusted foreign courts or accepted the entrustment of foreign courts for the delivery of 188 judicial documents.

Since 1987, exchanges between the interior and Hong Kong and Macao have increased steadily, and cases handled by people's courts involving Hong Kong and Macao have also increased. In the past five years, people's courts accepted and concluded 9,264 cases involving people from Hong Kong and Macao. The Guangdong provincial court has established contact with the Hong Kong and Macao courts. When handling civil and economic dispute cases involving people from Hong Kong and Macao, the courts have strictly abided by Chinese laws. In line with stipulations of the general principles of the civil code, laws applicable in Hong Kong and Macao are applied on the Chinese Mainland under the prerequisite that they do not violate the public interests of the mainland.

The people's courts have actively and appropriately handled cases involving people from Taiwan in a bid to promote relations between the Chinese Mainland and Taiwan. The people's courts handled 1,144 such cases in the past five years. Taking into full consideration the historical fact that the two sides of the Taiwan Strait have been separated for decades, the Supreme People's Court has formulated stipulations on law applicability governing marriages, inheritance, housing, debt, and other civil cases involving people from Taiwan in August 1988. In April 1991, the Supreme Court again announced that the civil conduct of Taiwan residents in the Taiwan area and their civil rights acquired in accordance with statutes of the Taiwan area will be given *de facto* recognition as long as they do not violate the basic principles of state laws or harm public interests. The force of decisions on civil cases by courts in the Taiwan area will also be recognized on the merit of the cases and other specific conditions, in line with this principle. Meanwhile, we have proposed that in accordance with provisions of relevant regulations, the higher people's court, with consent from the Supreme People's Court, may negotiate and reach agreements on the mutual entrustment of the delivery, investigation, evidence gathering, and verdict enforcement of legal documents. It is hoped that courts on the two sides of the Taiwan Strait will negotiate and reach specific agreements on ways and method of mutual entrustment of legal procedures to protect the legitimate rights of parties of both sides.

VI. On Supervision Over Trial and Guidance for Professional Work

People's courts at all levels strengthened supervision over trials to guarantee the quality of the handling of cases and enhance the administration of justice. Over the past five years, courts throughout the country received 14.76 million people who called on them to complain, and they handled 10.58 million complaint letters sent by the masses. Among them, 4.37 million people were making an appeal. The Supreme People's Court successively drew up regulations on handling appeals by parties involved in

criminal cases, civil cases, and economic dispute cases to standardize the work of handling appeals. Upholding the principle of "seeking truth from facts and making corrections wherever there are mistakes," people's courts at all levels conscientiously examined and handled the appeals submitted by the litigants for retrial, took the initiative to examine the verdicts that had taken effect, and rectified them in accordance with the procedures for supervision over trials in case mistakes were found in the original verdicts. Over the past five years, law courts throughout the country handled retrials of 981 criminal, civil, and economic dispute cases whose original verdicts had been challenged by procuratorial organs in accordance with the procedures for supervision over trials, and they handled 10,939 criminal cases challenged by procuratorial organs in accordance with procedures for appeals. In total, 11,920 such cases were handled by law courts throughout the country. Among them, 4,312 cases succeeded in having their verdicts changed in accordance with the law because the reasons for the challenges were sustained and the original verdicts were found to be wrong; 4,926 cases had their original verdicts upheld because the reasons for the challenges failed to be sustained, and the original verdicts were found to be correct; the procuratorial organs withdrew their challenges to the original verdicts of 1,298 cases; and 1,384 cases were handled in other ways.

Over the past five years, people's courts at the higher level have improved their guidance for trial work for people's courts at lower levels. The NPC and its Standing Committee successively formulated some regulations to supplement a series of important laws, including the general rule on the civil law, the administrative procedural law, the civil procedural law, and the criminal law. After conducting intensive studies and surveys and summing up the experiences gained in court trials, the Supreme People's Court provided 318 judicial explanations on criminal law, civil law, economic activities, administration, and maritime affairs to facilitate the specific application of laws to the new situation and new problems encountered in court trials and to correctly implement these laws during court trials. For instance, the opinion on certain issues concerning implementing the general rule on the civil law, the opinion on certain issues concerning applying the civil procedural law, the opinion on certain issues concerning implementation of the administrative procedural law, the answers jointly made with the Supreme People's Procuratorate to certain issues concerning implementation of the supplementary regulations on punishment of those who are found guilty of corruption and bribery, and so forth, were promulgated to society through the "Supreme People's Court Bulletin" and other news media. These judicial explanations played an important role in promoting the smooth progress of the work of court trials and provided some experiences that can be drawn upon by legislators in carrying out their work of making laws. While providing new judicial explanations, the Supreme People's Court screened the judicial explanations provided in the past and successively revised or abolished those that do not meet the needs of reform, opening to the outside world, and the building of the legal system.

VII. The Reform and Construction of Courts

The reform and construction of courts provides an important guarantee for the successful administration of justice by people's courts; it also constitutes an important aspect of our country's efforts to develop socialist democracy and legal institutions. Over the past five years, people's courts at all levels made new progress in reforming and building themselves up.

(1) We refined the system of law courts and improved the procedure of judicial administration. First, we established three new maritime courts—in Xiamen, Haikou, and Ningbo—to meet the needs of opening wider to the outside world and carrying out economic construction. This increased the number of maritime courts from six to nine. We also set up, on an experimental basis, courts or subsidiary courts in economic and technological development zones or bonded zones in Dalian, Yantai, Qingdao, Guangzhou, and Tianjin. Second, we improved judicial organs. People's courts at all levels generally set up administrative or executive tribunals, while some courts set up tribunals to hear real estate cases, foreign-related economic cases, and cases involving juveniles. Third, we intensified mediation efforts in accordance with the law. Drawing upon the experience of the Shenzhen City Intermediate People's Court, many courts created "centers for mediating economic disputes." They concluded hearings on cases and enforced verdicts expeditiously and effectively. Fourth, we improved open trial procedures. In trying civil cases and economic disputes, we emphasized efforts to place the burden of proof on the parties concerned and to conduct investigations, hold arguments, and question witnesses in court hearings. These efforts were intended to protect the rights of relevant parties to initiate legal proceedings and to improve our performance and efficiency in handling cases. Some courts instituted separate filing and hearing systems on an experimental basis and tightened internal control mechanisms to help solve problems pertaining to "litigation."

(2) We intensified efforts to improve our courts. Over the past five years, we made substantial progress in improving our courts and significantly raised their quality. To heighten the political consciousness of courts, people's courts at all levels redoubled their efforts to study Marxism-Leninism-Mao Zedong Thought and the party's basic line. Since the beginning of last year, they have specifically studied Comrade Deng Xiaoping's important talks during his tour of southern China and the guidelines of the 14th national party congress, thereby further arming themselves with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. People's courts at all levels continued to practice strict management, improved the system of clean administration, tightened supervisory mechanisms, resolutely resisted and corrected unhealthy practices, waged annual general inspections of law and discipline enforcement efforts, highly commended worthy individuals and deeds, and investigated and sternly dealt with violations of laws and disciplinary rules. Over the past five years, 135 advanced collectives and 105 advanced individuals were commended nationwide; of

these, 32 were model workers. On the provincial level, 936 advanced collectives and 5,029 advanced individuals were commended. A total of 138 cadres and policemen (including 32 judicial personnel) were discharged for violations of laws and disciplinary rules, while 157 cadres and policemen (including 44 judicial personnel) were given criminal penalties.

To improve the professional skills of court cadres, the Supreme People's Court and the State Education Commission jointly set up the Training Center of China for Senior Judges, following the establishment of a spare-time law university for court cadres from across the country. They also instituted an educational system that awards "professional law (judicial) certificates" and systematically conducted on-the-job and pre-job training. Over the past five years, they trained more than 800 senior judges and graduated 70,000 students with college or higher academic credentials. More than 40,000 people are still studying in school. Nationwide, the proportion of court judicial personnel with college or higher academic credentials rose from 17.1 percent in 1987 to 66.6 percent. The Supreme People's Court and courts in Xinjiang, Tibet, Ningxia, and Inner Mongolia conducted college classes or short-term training classes for ethnic judicial cadres. Nationwide, 20 higher people's courts set up centers to train judges. Courts across the country established a preliminary network to provide various types of education and training to judges at all levels. We are now making every effort to set up a national college for judges.

To develop a socialist judgeship system with Chinese characteristics, we started in 1987 to study and draft regulations governing judges, and since 1991 we have implemented these regulations on a trial basis in some courts in Shanghai and Harbin to gain experience. The regulations (draft) governing judges will soon be submitted to the NPC Standing Committee for examination and discussion.

Some of the aforementioned problems involve revision of the organic laws of the people's court. Currently, we are summing up new experiences in court organization and in building a court system gained since we adopted the policy of reform and opening up. We will put forward our opinions on revising the organic laws and will submit these opinions to the NPC Standing Committee as soon as possible for examination and discussion.

(3.) We stepped up the building of people's courts and trial courts. People's courts are agencies of grass-roots people's law courts. Most people's courts are in rural areas, serving on the frontline of court work. They are responsible for the trials of about 80 percent of the country's civil cases, some cases involving economic disputes, as well as some privately prosecuted criminal cases. In addition, they are also responsible for handling brief disputes, providing guidance to people's mediation organizations, and popularizing legal knowledge, and they need to play a role in taking comprehensive measures to improve social order. Therefore, strengthening people's court's work is the basis for improving the work of law courts. Over the past five years,

people's law courts at all levels have based themselves on the grass roots, served the grass roots, and forcefully strengthened the building of people's courts organizationally, professionally, ideologically, and in work style. As of the end of 1992, the country had more than 18,000 people's courts—nearly 3,000 more than 1987—with more than 70,000 court cadres. To further institutionalize the work and development of people's courts, the Supreme People's Court currently is drafting "Organic Laws of the People's Courts (Draft)" and will soon submit them to the NPC Standing Committee for examination and discussion.

Over the past five years, with the support of party committees, people's congresses, and governments at all levels, 75 percent of the trial courts of the country's law courts have been built or are being built, and 61 percent of the offices of people's courts have been completed or are under construction. However, in general, the facilities and equipment of people's law courts are still relatively backwards. This, in addition to an acute funds shortage, calls for further improvement of the conditions for law enforcement. Currently, 830 people's law courts in the country still do not have trial courts and more than 6,800 people's courts still do not have their own offices. This problem needs to be solved urgently. We also need to step up the building of trial courts of military, maritime, railway transportation, and other specialized law courts. We hope all offices of trial courts and people's courts will be completed during the Eighth Five-Year Plan period, and that problems concerning acute fund shortages and backward equipment will also be solved.

Deputies, people's courts across the country accepted 15.56 million various types of cases of first and second instances, including retrial cases, and concluded more than 15.55 million of them, during the Seventh NPC, averaging annual increases of 6.8 and 6.4 percent, respectively. Of these cases, 3.36 million were accepted in 1992, during which 3.37 million cases were concluded (including pending cases of the past). The development of adjudication by people's courts synchronized with that of reform, opening up, and modernization, and tremendous achievements were made in this regard. However, there were still many shortcomings in the work of people's courts. First, some cadres and police were still unable ideologically to keep abreast of the new situation in the development of reform, opening up, and economic construction, and they should further emancipate their minds and change their ideas. Second, they failed to make a thorough study and investigation of new situations and problems, and work guidance was not timely and effective enough. Third, some cases were not handled with high quality, and some other cases were mistakenly handled or even handled on the basis of "underhand connections" or "favoritism." Fourth, some cases were handled dilatorily, not promptly; and some other cases which should have been accepted were not, which caused people to complain about the "difficulty to bring a lawsuit against someone." Fifth, lacking the concept of serving the people, a small number of cadres and police did things in an oversimplified and

crude way or even violated the law and discipline. We must earnestly overcome all these shortcomings in our future work.

VIII. The Future Work and Tasks of People's Courts

The next five years will be a crucial period for achieving the second-step strategic objective in the modernization of our country. The 14th party congress clearly set the establishment of a socialist market economy as the target of reform. This has set new and higher requirements for the work of the people's courts. With the acceleration of reform, opening up, and economic construction, and with the establishment of a legal system with the Constitution as its core, which is suited to the development of the socialist market economy, more and more social relations are to be regulated by legal means. So the work of the people's courts in adjudication will become increasingly arduous. For some time to come, the main tasks of the people's courts are to conscientiously implement the guidelines laid down by the 14th party congress; unswervingly carry out the party's basic line of "one center and two basic points"; persistently guide our work with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; further emancipate our minds and seek truth from facts; and continue to comprehensively step up the trial of criminal, civil, economic, administrative, and maritime cases; sternly crack down on criminal activities and economic crimes. We should make full use of legal means to regulate economic relations, effectively protect the legitimate rights and interests of citizens and legal persons, protect and supervise the work done by administrative organs according to law, and provide effective legal guarantees and services for maintaining the security of the state and social stability, establishing the socialist market economy, and accelerating the pace of reform, opening up, and modernization.

To accomplish the judicial tasks entrusted to them by the Constitution and laws and to sum up their experiences in the past five years, people's courts at all levels must, in their future work, adhere to the following five principles: 1. They must adhere to the guiding thought that judicial work must serve economic construction. Through judicial activities, they should promote the establishment and perfection of a socialist market economy; protect, according to law, acts which are favorable to the emancipation and development of the productive forces; restrict acts which are not favorable to the emancipation and development of the productive forces; and punish acts which undermine the emancipation and development of the productive forces. 2. They must do two types of work at the same time, attaching equal importance to both. In the past few years, public order has improved with the help of comprehensive measures. Nevertheless, in some areas public order is still not good because cases of serious crimes are on the rise; in some other areas criminal activities have run rampant. Therefore, the people's courts must know their struggle against criminal activities is a long-term and complex one; they must further strengthen the function and role of the people's democratic dictatorship, continue to resolutely crack down on criminal activities which seriously

endanger public order, and eliminate all ugly phenomena in society; they must resolutely severely punish grave economic criminal offenders, launch a deep-going anticorruption struggle, and further create a good social environment for speeding up reform, opening to the outside world, and the modernization drive. 3. They must adhere to the principle of effectively protecting the legitimate rights and interests of citizens and legal persons; they must, according to law, punish acts which infringe upon the democratic rights and personal rights of citizens and upon the property rights of citizens and legal persons so as to safeguard socialist democracy and the legal system and to enhance and protect the masses' initiative in participating in modernization construction. 4. They must enforce laws strictly. Under the leadership of the party and the supervision of the people's congresses, people's courts at all levels must carry out their judicial duties independently, continue to improve the method of public trials, and resolutely oppose and resist the practice of "substituting law with personal words" and of "suppressing law with power." A perfect legal system is needed to provide the standard and protection for a socialist market economy. In this sense, a socialist market economy is actually an economy under the protection of law. The people's courts must resolutely resist and overcome local protectionism and departmental protectionism and safeguard the dignity of law and the state's unified legal system. 5. The people's courts at all levels must continue to reform and build themselves. They must enhance their awareness of reform, change their concepts, conscientiously sum up their judicial experiences since the introduction of reform and opening up in China, strengthen investigations and studies of new situations and new problems, and boldly draw on the useful experiences of foreign countries with regard to their judicial system to further develop and perfect our socialist judicial system with Chinese characteristics.

Deputies: Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the party's 14th national congress and under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, the people's courts at all levels will enhance their enthusiasm, work hard, bring their judicial functions and roles into full play, and make new contributions to speeding up reform, opening to the outside world, and the modernization drive!

Presidential Decree Promulgates Macao Basic Law

OW0204212493 Beijing XINHUA Domestic Service in Chinese 2131 GMT 1 Apr 93

[PRC Presidential Decree No. 3 signed by President Jiang Zemin on 31 March]

[Text] Beijing, 2 Apr (XINHUA)—The "Macao Special Administrative Region [SAR] Basic Law"—including Appendix 1: The "Method for Selecting the Chief Executive of the Macao SAR"; Appendix 2: The "Method for Forming the Macao SAR Legislative Council"; Appendix 3: The "National Laws for Implementation in the Macao SAR"; and the designs for the regional flag and emblem of

the Macao SAR—has been approved by the First Session of the Eighth National People's Congress of the PRC on 31 March 1993, and is hereby promulgated for implementation as of 20 February 1999.

[Signed] Jiang Zemin, PRC president

[Dated] 31 March 1993

Text of Law

OW0404040793 Beijing XINHUA Domestic Service in Chinese 2123 GMT 1 Apr 93

[Text] Beijing, 2 Apr (XINHUA)—The Basic Law of the Macao Special Administrative Region [SAR] of the PRC.

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The PRC Basic Law of the Macao SAR

Preamble

Macao—which includes the Macao peninsula, the Ganzi Dao, and the Luhuan Dao—has been Chinese territory since ancient times, but it was gradually occupied by Portugal from the middle of the 16th century. In a joint declaration on the issue of Macao they signed on 13 April 1987, the Governments of China and Portugal affirmed that the PRC Government will resume the exercise of

sovereignty over Macao on 20 December 1999, thus fulfilling the Chinese people's long-cherished aspiration for the recovery of Macao.

To uphold national unity and territorial integrity and to maintain Macao's social stability and economic development, and taking into account the history of Macao and its realities, the state has decided that, upon China's resumption of sovereignty over Macao, a Macao SAR will be established in accordance with the provisions of Article 31 of the PRC Constitution, and that, in accordance with the principle of "one country, two systems," the socialist system and policies will not be practised in Macao. The Chinese Government has already expounded this basic principle and policy for Macao in the Sino-Portuguese Joint Declaration.

To ensure the implementation of the basic principle and policy on Macao, the NPC, on the basis of the PRC Constitution, has especially enacted the PRC Basic Law of the Macao SAR to prescribe the systems to be implemented in the Macao SAR.

Chapter I. General Principles

Article 1. The Macao SAR is an inalienable part of the PRC.

Article 2. The NPC authorizes the Macao SAR to exercise a high degree of autonomy in accordance with the provisions of this law and to enjoy executive, legislative, and independent judicial power, including that of final adjudication.

Article 3. The executive authorities and legislature of the Macao SAR shall be composed of permanent residents of Macao in accordance with the relevant provisions of this law.

Article 4. The Macao SAR safeguards the rights and freedoms of the residents and other persons in the region in accordance with law.

Article 5. The socialist system and policies shall not be practiced in the Macao SAR and the existing capitalist system and way of life shall not be changed for 50 years.

Article 6. Rights of property ownership are protected by law in the Macao SAR.

Article 7. The land and natural resources within the Macao SAR, with the exception of private land legally ascertained prior to the establishment of the Macao SAR, are state property, and the government of the Macao SAR shall be responsible for their management, use, and development, and for their lease or grant to individuals or legal persons for use or development. The revenue derived shall be entirely at the disposal of the government of the Macao SAR.

Article 8. The laws, ordinances, administrative regulations, and other binding documents previously in force in

Macao shall be maintained, except for those that contravene this law or have been amended by the legislature or other authorities of the Macao SAR according to legal procedures.

Article 9. In addition to the Chinese language, the Portuguese language, which is also an official language, may be used by the executive authorities, legislative, and judicial organs of the Macao SAR.

Article 10. In addition to the flag and insignia of the PRC, the regional flag and regional insignia of the Macao SAR may also be hung and used in the Macao SAR.

The regional flag of the Macao SAR is a green flag with the designs of five stars, a lotus flower, a bridge, and the sea.

The regional insignia of the Macao SAR is one in which the five stars, the lotus flower, the bridge, and the sea in the middle are surrounded by these characters: "The Macao SAR of the PRC," and the word "Macao" in Portuguese.

Article 11. In accordance with Article 31 of the Constitution of the PRC, the policies and systems practiced in the Macao SAR, including the social and economic systems, the system for safeguarding the fundamental rights and freedoms of its residents and the executive, legislative, and judicial systems, shall be based on the provisions of this law.

No laws enacted by the legislature of the Macao SAR shall contravene this law.

Chapter II. Relationship Between the Central Authorities and the Macao SAR

Article 12. The Macao SAR is a local administrative region of the PRC, enjoying a high degree of autonomy under the direct jurisdiction of the central people's government.

Article 13. The central people's government is responsible for foreign affairs relating to the Macao SAR.

The Foreign Affairs Ministry of the PRC will establish an office in Macao to deal with foreign affairs.

The central people's government authorizes the Macao SAR to deal with relevant foreign affairs in accordance with this law.

Article 14. The central people's government is responsible for the defense of the Macao SAR.

The government of the Macao SAR is responsible for maintaining public order in the Macao SAR.

Article 15. The central people's government appoints the chief executive, principal government officials, and chief procurator of the Macao SAR in accordance with the relevant provisions of this law.

Article 16. The Macao SAR is vested with executive power. In accordance with the relevant provisions of this law it shall, on its own, manage the administrative affairs of the Macao SAR.

Article 17. The Macao SAR is vested with legislative power.

Laws enacted by the legislature of the Macao SAR shall be reported to the NPC Standing Committee for the record. The reporting for record shall not affect the entry into force of such laws.

If the NPC Standing Committee, after consulting its Committee for the Macao SAR Basic Law, considers a law from the region does not conform with the provisions of this law regarding affairs managed by the central authorities, or provisions concerning the relationship between the central authorities and the Macao SAR, it may return the law in question, but it shall not amend it. Any law returned by the NPC Standing Committee shall immediately cease to have force. The cessation of this force shall not have retroactive effect, except in cases for which laws of the Macao SAR have prescribed separately.

Article 18. The Macao SAR laws shall include this law, the laws previously in force in Macao as stipulated in Article 8 of this law, and the laws enacted by the legislature of the Macao SAR.

National laws, with the exception of those listed in Annex III of this law, shall not be applied in the Macao SAR. Laws listed in Annex III of this law shall be applied locally by the Macao SAR by way of promulgation or legislation.

The NPC Standing Committee, after soliciting the views of its Committee for the Macao SAR Basic Law and the Macao SAR Government, may add or recall those laws listed in Annex III of this law. Laws listed in Annex III shall be limited to those relevant to national defense, foreign affairs, and other laws which, according to this law, are not within the autonomy of the Macao SAR.

When the NPC Standing Committee decides to declare a state of war, or when unrest jeopardizes national unity or security in the Macao SAR—unrest which the Macao SAR Government cannot control and decides that the Macao SAR is in a state of emergency—the central people's government may order the implementation of relevant national laws in the Macao SAR.

Article 19. The Macao SAR is vested with independent judicial power, including that of final adjudication.

Macao SAR courts shall have jurisdiction over all cases in the region, except that restrictions on their jurisdiction imposed by Macao's previous legal system and principles shall be maintained.

Macao SAR courts shall have no jurisdiction over national conduct relating to defense and foreign affairs. Whenever Macao SAR courts encounter actual issues concerning defense, foreign affairs, and other national conduct upon handling cases, they shall obtain statements issued by the chief executive regarding those issues and these statements shall be binding on the courts. Before issuing such a statement, the chief executive shall obtain a certificate from the central people's government.

Article 20. The Macao SAR is vested with other authority granted by the NPC, the NPC Standing Committee, or the central people's government.

Article 21. Macao SAR residents who are Chinese nationals are entitled to participate in state affairs as prescribed by law.

In accordance with the assigned number of seats and the election procedures specified by the NPC Standing Committee, Chinese nationals among the residents of the Macao SAR shall locally elect deputies of the Macao SAR to the NPC to participate in the work of the highest organ of state power.

Article 22. Departments under the central people's government as well as provinces, autonomous regions, and municipalities directly under the central government shall not interfere in the affairs which the Macao SAR administers on its own in accordance with this law.

If departments under the central government, provinces, autonomous regions, and municipalities directly under the central government need to set up offices in the Macao SAR, they must have the consent of the government thereof and the approval of the central people's government.

All offices—and their personnel—set up in the Macao SAR by the departments under the central government, or by provinces, autonomous regions, and municipalities directly under the central government shall abide by the laws of the Macao SAR.

People from various provinces, autonomous regions, and municipalities directly under the central government must apply for approval for entry into the Macao SAR, and the number of people who seek permanent residence in the Macao SAR shall be set by competent authorities of the central people's government after soliciting the views of the Macao SAR Government.

The Macao SAR may establish an office in Beijing.

Article 23. The Macao SAR shall enact laws by itself to ban any conduct that betrays the country, splits the country, instigates rebellion, subverts the Central People's Government, or steals state secrets; ban foreign political organizations or groups from carrying out political activities in the Macao SAR; and ban political organizations or groups in the Macao SAR from establishing liaison with foreign political organizations or groups.

Chapter III. Fundamental Rights and Obligations of Residents

Article 24. Macao SAR residents, or Macao resident for short, include permanent residents and nonpermanent residents.

Permanent Macao SAR residents are:

(1) Chinese nationals born in Macao before and after the establishment of the Macao SAR, and their children of Chinese nationality born outside Macao;

(2) Chinese nationals who have ordinarily resided in Macao for a continuous period of no less than seven years before and after the establishment of the Macao SAR, and their children of Chinese nationality born outside Macao;

(3) Portuguese who are born in Macao before and after the establishment of the Macao SAR and who consider Macao as their permanent residence;

(4) Portuguese who have ordinarily resided in Macao for a continuous period of no less than seven years before and after the establishment of the Macao SAR, and who consider Macao a permanent residence;

(5) Other people who have ordinarily resided in Macao for a continuous period of no less than seven years before and after the establishment of the Macao SAR, and who consider Macao as a permanent residence;

(6) The children of permanent residents listed in (5), who are under 18 years of age born in the Macao SAR before and after the establishment of the Macao SAR.

The above-mentioned residents have the rights of abode in the Macao SAR and are qualified to obtain permanent identify cards which state their right of abode.

Nonpermanent residents of the Macao SAR are persons who, in accordance with the laws of the Macao SAR, are qualified to obtain Macao identity cards but have no right of abode.

Article 25. All Macao residents shall be equal before the law, and they shall not be discriminated against because of their nationality, race, ethnic origin, sex, language, religious belief, political views, educational level, and economic or social status.

Article 26. Permanent Macao SAR residents shall have the right to vote and the right to stand for election as prescribed by law.

Article 27. Macao residents shall have freedom of speech, of the press, and of publication; freedom of association, assembly, parade, and demonstration; and freedom to form and join trade unions, and to strike.

Article 28. The personal freedom of Macao residents is inviolable.

Macao residents shall not be unlawfully arrested, detained, or imprisoned. Residents have the right to request the court to grant habeas corpus against any wilful or unlawful arrest and detention.

Unlawful search of the body of any resident, and unlawful deprivation or restriction of residents' personal freedoms shall be prohibited.

The use of cruel torture or inhuman treatment for residents shall be prohibited.

Article 29. Macao residents shall not be punished, except when their conduct has been specifically prescribed by contemporary law as a punishable crime.

When Macao residents are accused of committing a crime, they are entitled to the court's adjudication as early as possible, and they shall be considered as innocent before a verdict has been pronounced by the court.

Article 30. The human dignity of Macao residents shall be inviolable. Any means of humiliation, slander and false accusation against residents shall be prohibited. Macao residents shall enjoy the right to personal honor and the privacy of the private and family life.

Article 31. The homes and other premises of Macao residents shall be inviolable. Arbitrary or unlawful searches of, or intrusion into, a resident's home or other premises shall be prohibited.

Article 32. The freedom and privacy of communication of Macao residents shall be protected by law. No department or individual may, on any grounds, infringe upon the freedom and privacy of communication of residents except that the relevant authorities may inspect communication in accordance with the provisions of the law to meet the needs of public security or of investigation into criminal offenses.

Article 33. Macao residents shall have freedom of movement within the Macao SAR and freedom of emigration to other countries and regions. They shall have freedom to travel and to enter or leave the region, and shall, in accordance with the law, have the right to obtain travel documents. Unless restrained by law, holders of valid travel documents shall be free to leave the region without special authorization.

Article 34. Macao residents shall have the freedom of conscience.

Macao residents shall have freedom of religious belief and freedom to preach and to conduct and participate in religious activities in public.

Article 35. Macao residents shall have freedom of choice of occupation and work.

Article 36. Macao residents shall have the right to resort to the law, to have access to the courts, and to get help from lawyers for protection of their lawful rights and interests, and to obtain judicial remedies.

Macao residents shall have the right to institute legal proceedings in the courts against acts of the executive authorities and their personnel.

Article 37. Macao residents shall have freedom to engage in education, academic research, literary and artistic creation, and other cultural activities.

Article 38. The freedom of marriage of Macao residents and their right to form and raise a family freely, shall be protected by law.

The legitimate rights and interests of women shall be protected by the Macao SAR.

The underaged, the aged, and the disabled shall be taken care of and protected by the Macao SAR.

Article 39. Macao residents shall have the right to social welfare in accordance with law. The welfare benefits and retirement security of the labor force shall be protected by law.

Article 40. The provisions of the "International Covenant on Civil and Political Rights" and the "International Covenant on Economic, Social, and Cultural Rights" as they apply to Macao shall be implemented through legislation by the Macao SAR.

The rights and freedoms enjoyed by Macao residents shall not be restricted unless as prescribed by law. Such restrictions shall not contravene the provisions of the first paragraph of this article. Article 41. Macao residents shall enjoy the other rights and freedoms safeguarded by the laws of the Macao SAR.

Article 42. The interests of residents of Portuguese descent in Macao shall be protected by the Macao SAR in accordance with law, and their customs and cultural traditions shall be respected.

Article 43. Persons in the Macao SAR other than Macao residents shall, in accordance with law, enjoy rights and freedoms of Macao residents prescribed in this chapter.

Article 44. Macao residents and other persons in Macao shall have the obligation to abide by the laws in force in the Macao SAR.

Chapter IV. Political Structure

Section 1. The chief executive

Article 45. The chief executive of the Macao SAR shall be the head of the Macao SAR and shall represent the region.

The Macao SAR chief executive shall be accountable to the central people's government and the Macao SAR in accordance with the provisions of this law.

Article 46. The Macao SAR chief executive shall be a Chinese citizen of not less than 40 years of age who is a permanent resident of the region and has ordinarily resided in Macao for a continuous period of not less than 20 years.

Article 47. The Macao SAR chief executive shall be selected by election or through consultations held locally and be appointed by the central people's government.

The specific method for selecting the chief executive is prescribed in Annex I: "Method for the Selection of the Macao SAR Chief Executive".

Article 48. The term of office of the Macao SAR chief executive shall be five years. He or she may serve for not more than two consecutive terms.

Article 49. The chief executive, during his or her term of office, shall not have right of abode in any foreign country and shall not engage in any activities for his or her personal gain. The chief executive, on assuming office, shall declare his or her assets to the president of the Macao SAR Court of Final Appeal. This declaration shall be put on record.

Article 50. The Macao SAR chief executive shall exercise the following powers and functions:

- (1) To lead the government of the region;
- (2) To be responsible for the implementation of this law and other laws which, in accordance with this law, apply to the Macao SAR;
- (3) To sign bills passed by the Legislative Council and to promulgate laws;
- To sign budgets passed by the Legislative Council and report the budgets and final accounts to the central people's government for the record;
- (4) To decide on government policies and to issue executive orders;
- (5) To formulate the executive regulations and promulgate them for implementations;
- (6) To nominate and to report to the central people's government the appointment of the following principal officials: department secretaries, commissioner against corruption, director of audit, the principal officers of the police and customs; and to recommend to the central people's government the removal of the above-mentioned officials;
- (7) To appoint partial members of the Legislative Council;
- (8) To appoint or remove members of the Executive Council;
- (9) To appoint or remove presidents and judges of the courts at all levels and procurators in accordance with legal procedures;
- (10) To nominate and report to the central people's government the appointment of the procurator general and to recommend to the central people's government the removal of the procurator general in accordance with legal procedures;
- (11) To appoint or remove holders of public office in accordance with legal procedures;
- (12) To implement the directives issued by the central people's government in respect of the relevant matters provided for in this law;
- (13) To conduct, on behalf of the Macao SAR Government, external affairs and other affairs as authorized by the central authorities;
- (14) To approve the introduction of motions regarding revenues or expenditure to the Legislative Council;
- (15) To decide, in the light of security and vital public interests, whether government officials or other personnel in charge of government affairs should testify or give evidence, before the Legislative Council or its committees;
- (16) To confer models and titles of the honor of the Macao SAR in accordance with law;

(17) To pardon persons convicted of criminal offenses or commute their penalties in accordance with law; and

(18) To handle petitions and complaints.

Article 51. If the Macao SAR chief executive considers that a bill passed by the Legislative Council is not compatible with the overall interests of the region, he or she may give his or her reasons in writing and return it to the Legislative Council within 90 days for reconsideration. If the Legislative Council passes the original bill again by not less than a two-thirds majority of all the members, the chief executive must sign and promulgate it within 30 days or act in accordance with the provisions of Article 52 of this law.

Article 52. The Macao SAR chief executive may dissolve the Legislative Council in any of the following circumstances:

- (1) When the chief executive refuses to sign a bill passed the second time by the Legislative Council; or
- (2) When the Legislative Council refuses to pass a budget introduced by the government or any other bills which the chief executive considers concern the overall interests of the region, and if consensus still cannot be reached after consultations.

The chief executive must consult the Executive Council before dissolving the Legislative Council. In dissolving the Legislative Council, he or she shall publicly explain the reasons.

The chief executive may dissolve the Legislative Council only once in each term of his or her office.

Article 53. If the Macao SAR Legislative Council refuses to pass the budget introduced by the government, the chief executive may approve provisional short-term appropriations according to the level of expenditure of the previous fiscal year.

Article 54. The chief executive of the Macao SAR must resign under any of the following circumstances:

- (1) When he or she loses the ability to discharge his or her duties as a result of serious illness or other reasons;
- (2) When, after the Legislative Council is dissolved because he or she twice refuses to sign a bill passed by it, the new Legislative Council again passes by a two-thirds majority of all the members the original bill in dispute, and he or she still refuses to sign it within 30 days; and
- (3) When, after the Legislative Council is dissolved because it refuses to pass a budget or any other bill concerning the overall interests of the Macao SAR, the new Legislative Council still refuses to pass the original bill in dispute.

Article 55. If the Macao SAR chief executive is unable to discharge his or her duties for a short period, such duties shall temporarily be assumed by the secretaries of the departments in order of precedence. The order of precedence shall be stipulated by law.

In the event that the office of chief executive becomes vacant, a new chief executive shall be selected within 120 days in accordance with the provisions of Article 47 of this Law. During the period of vacancy, his or her duties shall be assumed according to the provisions of the first paragraph of this article and reported to the central people's government for approval. The acting chief executive shall abide by the provisions of article 49 of this law.

Article 56. The Macao SAR Executive Council shall be an organ for assisting the Chief Executive in policy-making.

Article 57. Macao SAR Executive Council members shall be appointed by the chief executive from among the principal officials of executive authorities, members of the legislative council, and public figures. Their appointments and removals shall be decided by the chief executive. The term of office of members of the Executive Council shall not extend beyond the expiry of the term of office of the chief executive who appoints them. Before the new chief executive is selected, the members of original Executive Council shall remain temporarily in office.

Macao SAR Executive Council members shall be Chinese citizens who are permanent residents of the region.

The number of Executive Council members shall be between 7 and 11. The chief executive may, as he or she deems necessary, invite other persons concerned to sit in on meetings of the council.

Article 58. The Macao SAR Executive Council shall be presided over by the chief executive. Executive Council meetings shall be held at least once a month. Except for the appointment, removal, and disciplining of officials and the adoption of measures in emergencies, the chief executive shall consult the Executive Council before making important policy decisions, introducing bills to the Legislative Council, formulating administrative regulations, or dissolving the Legislative Council.

If the chief executive does not accept a majority opinion of the Executive Council, he or she shall put the specific reasons on record.

Article 59. A Commission Against Corruption shall be established in the Macao SAR and will function independently. The commissioner against corruption shall be accountable to the chief executive.

Article 60. An Audit Commission shall be established in the Macao SAR and function independently. The audit director shall be accountable to the chief executive.

Section 2. The Executive Authorities

Article 61. The Macao SAR Government shall be the executive authorities of the region.

Article 62. The head of the Macao SAR Government shall be the chief executive of the region. Departments, bureaus, divisions, and sections shall be established in the Macao SAR Government.

Article 63. The principal Macao SAR officials shall be Chinese citizens who are permanent residents of the region and have ordinarily resided in Macao for a continuous period of not less than 15 years.

Principal Macao SAR officials, on assuming office, shall declare their assets to the president of the Macao SAR Court of Final Appeal. These declarations shall be put on record.

Article 64. The Macao SAR Government shall exercise the following powers and functions:

- (1) To formulate and implement policies;
- (2) To conduct administrative affairs;
- (3) To conduct external affairs as authorized by the central people's government under this law;
- (4) To draw up and introduce budgets and final accounts;
- (5) To introduce bills and motions and to draft administrative regulations; and
- (6) To designate officials to sit in on the Legislative Council meetings to receive opinions or speak on behalf of the government.

Article 65. The Macao SAR Government must abide by the law and be accountable to the Legislative Council of the region; it shall implement laws passed by the council and already in force; it shall present regular policy addresses to the council; and it shall answer questions raised by members of the council.

Article 66. The Macao SAR executive authorities may, when necessary, establish advisory bodies.

Section 3. The Legislature

Article 67. The Macao SAR Legislative Council shall be the legislature of the region.

Article 68. The Macao SAR Legislative Council shall be composed of permanent residents of the region.

The majority of Macao SAR Legislative Council members shall be selected by election.

The specific method for forming the Legislative Council is prescribed in Annex II: How the Macao SAR Legislative Council Should Be Formed.

Legislative Council members shall, on assuming office, report on their financial situation in accordance with the law.

Article 69. The term of office of the Macao SAR Legislative Council shall be four years, except the first term which shall be stipulated otherwise.

Article 70. If the Macao SAR Legislative Council is dissolved by the chief executive in accordance with the provisions of this law, it must, within 90 days, be reconstituted in accordance with Article 68 of this law.

Article 71. The Macao SAR Legislative Council shall exercise the following powers and functions:

- (1) To enact, amend, suspend or repeal laws in accordance with the provisions of this law and legal procedures;
- (2) To examine and approve budgets introduced by the government; examine the report on implementation of the budget introduced by the government;
- (3) To decide on taxation according to government motions and to approve liabilities undertaken by the government;
- (4) To receive and debate the policy addresses of the chief executive;
- (5) To debate issues concerning public interests;
- (6) To receive and handle complaints from Macao residents;
- (7) If a motion initiated jointly by one-third of all the members of the Legislative Council charges the chief executive with serious breach of law or dereliction of duty, and if he or she refuses to resign, the council may, after passing a decision to investigate, give a mandate to the president of the Court of Final Appeal to form an independent investigation committee to carry out the investigation. If the committee considers the evidence sufficient to substantiate such charges, the council may pass a motion of impeachment by a two-thirds majority of all members and report it to the central people's government for decision; and
- (8) To summon, as required when exercising the above-mentioned powers and functions, persons concerned to testify or give evidence.

Article 72. The Macao SAR Legislative Council shall have a president and a vice president. The president and vice president shall be elected by and from among the Legislative Council members.

The Macao SAR president and vice president shall be Chinese citizens who are permanent residents of the region and have ordinarily resided in Macao for a continuous period of not less than 15 years.

Article 73. In case of absence of the president of the Macao SAR Legislative Council, the vice president shall act as president.

In the event that the offices of president and vice president of the Macao SAR Legislative Council become vacant, a new president and vice president shall be elected.

Article 74. The Macao SAR Legislative Council president shall exercise the following powers and functions:

- (1) To preside over meetings;
- (2) To decide on the agenda and, in accordance with the chief executive's request, place government proposals on the agenda on a priority basis;
- (3) To decide on the time of meetings;

(4) To call special meetings during the recess;

(5) To call emergency meetings, or to do so at the chief executive's request; and

(6) To exercise other powers and functions as prescribed in the rules of procedure of the Legislative Council.

Article 75. Macao SAR Legislative Council members may, in accordance with the provision of this law and legal procedures, introduce any bill. Bills which do not relate to public expenditure, the political system or government administration may be introduced individually or jointly by members of the council. Prior written consent of the chief executive is required if bills relate to government policy.

Article 76. Macao SAR Legislative Council members may raise questions on the work of the executive authorities in accordance with legal procedures.

Article 77. The quorum for a Macao SAR Legislative Council meeting shall be no less than half of its members. Unless otherwise provided for in the law, the passage of any bill or motion in the Macao SAR Legislative Council requires the votes of more than half the members present.

The Legislative Council rules of procedure shall be established by the council on its own, but they should not contravene this law.

Article 78. A bill passed by the Macao SAR Legislative Council takes effect only after it is signed and promulgated by the chief executive.

Article 79. Macao SAR Legislative Council members shall not be legally liable for speeches made at meetings of the council.

Article 80. With the exception of active criminals, members of the Macao SAR Legislative Council shall not be subject to arrest without the approval of the council.

Article 81. The Macao SAR Legislative Council shall decide and declare that a member of the council is no longer qualified to serve under any of the following circumstances:

- (1) When a member loses the ability to discharge the functions of his or her office due to serious illness or other reasons;
- (2) When a member assumes a concurrent post not allowed by the law;
- (3) When a member is absent from meetings on 15 occasions or five consecutive times without the consent of the Legislative Council president and without reasonable explanation;
- (4) When a member's behavior runs counter to the oath taken by Legislative Council members; and
- (5) When a member is convicted and sentenced to imprisonment for 30 days or more for a criminal offence committed within or outside the Macao SAR.

Section 4. Judicial Organs

Article 82. The Macao SAR courts exercise the judicial power of the region.

Article 83. The Macao SAR courts shall exercise judicial power independently, in accordance with the law, and free from any interference.

Article 84. The primary courts, the Intermediate Court, and the Court of Final Appeal will be established in the Macao SAR.

The power of final adjudication in the Macao SAR is vested in the Court of Final Appeal in the region.

The structure, powers, and functions of the Macao SAR courts shall be prescribed by law.

Article 85. The Macao SAR primary court may set up a number of special courts according to needs.

The original system of criminal proceedings in Macao shall be maintained.

Article 86. An administrative court shall be established in the Macao SAR. An administrative court is a court that has jurisdiction over administrative litigations and taxation affairs litigations. Those who do not accept the verdict of the administrative court may appeal to an intermediate court.

Article 87. Judges of courts at various levels of the Macao SAR shall be appointed by the chief executive acting in accordance with the recommendation of an independent commission comprising local judges, lawyers, and other eminent individuals. The criteria for selecting judges should be based on professional qualities; judges of foreign nationalities who meet these criteria may also be recruited.

A judge may only be removed because of an inability to discharge the functions of his or her office, or because of behavior incompatible with his/her job, by the chief executive acting upon the recommendation of a tribunal appointed by the chief justice of the Court of Final Appeal and consisting of not fewer than three local judges.

A judge of the Court of Final Appeal may be removed by the chief executive acting upon the recommendation of a tribunal comprising the Macao SAR Legislative Council members.

The appointment and removal of judges of the Court of Final Appeal shall be reported to the NPC Standing Committee for the record.

Article 88. The chief executive shall select presidents of all levels of courts in the Macao SAR among the judges.

The chief justice of the Court of Final Appeal shall be a Chinese citizen with permanent residency in the Macao SAR.

The appointment and removal of the chief justice of the Court of Final Appeal shall be reported to the NPC Standing Committee for the record.

Article 89. Macao SAR judges shall conduct trials according to the law. They may not follow any orders or instructions except those prescribed in the third clause of Article 19 of this law.

Judges are immune from legal action in terms of their fulfilling of their trial duties.

During his or her term of office, a judge is forbidden to hold other public posts or any private posts. Judges also are not allowed to hold any posts in political organizations.

Article 90. The Macao SAR Procuratorate independently exercises procuratorial functions entrusted by the law and it is free from any interference.

The Macao SAR procurator general shall be a Chinese citizen with permanent residency in the Macao SAR and shall be nominated by the chief executive and reported to the central people's government for appointment.

Procurators shall be nominated by the procurator general and appointed by the chief executive.

The organization, powers, functions, and operations of the procuratorates shall be provided by the law.

Article 91. The system of appointment and removal of judicial auxiliary personnel as practiced previously in Macao shall be maintained.

Article 92. The Macao SAR Government may refer to the methods as practiced previously in Macao and formulate regulations concerning the engagement in legal practice in the Macao SAR for local lawyers and lawyers from outside the region.

Article 93. The Macao SAR, through consultation and in accordance with the law, may maintain judicial contacts with judicial organs in other regions of the country, and they may render assistance to one another.

Article 94. With the assistance or authorization of the central people's government, the Macao SAR may make appropriate arrangements with foreign states for reciprocal judicial assistance.

Section 5. Municipal Administrative Organizations

Article 95. Municipal administrative organizations which are not organs of political power may be established in the Macao SAR. They are entrusted by the government to provide services in such fields as culture, recreation and environmental sanitations, and to offer consultations and views on aforesaid affairs to the region's government.

Article 96. The powers and functions of the municipal administrative organizations and their composition shall be prescribed by law.

Section 6. Public Servants

Article 97. Macao SAR public servants must be permanent residents of the region, except where otherwise provided

for in Articles 98 and 99 of this Law, as well as personnel of certain specific and technical fields employed by the Macao SAR.

Article 98. Public servants previously serving in Macao, including police and auxiliary staff members of judicial departments before the Macao SAR's establishment, may all remain in employment and retain their seniority with pay, allowances, and benefits no less favorable than before.

The Macao SAR shall pay to public servants who retire after the establishment of the Macao SAR, and who are entitled to pensions, maintenance allowances and benefits according to existing law in Macao, or to their dependents pensions, maintenance allowances and benefits due to them on terms no less favorable than before, and irrespective of their nationality or place of residence.

Article 99. The Macao SAR may employ Portuguese and other foreign nationals previously serving in the public service in Macao, or those holding permanent identity cards to serve as public servants at various levels, except for those otherwise prescribed in this Law.

The Macao SAR may also employ Portuguese and other foreign nationals as advisers and to serve in specific and technical fields.

The aforementioned personnel shall be employed only in their individual capacities and shall be responsible to the Macao SAR.

Article 100. The appointment and promotion of public servants shall be on the basis of their qualifications, experience and ability. Macao's previous system of recruitment, employment, advancement and normal promotion shall remain basically unchanged, but may be improved in accordance with the social development in Macao.

Section 7. Pledge of Allegiance

Article 101. The chief executive, principal officials, members of the Executive and Legislative Councils, court judges, public prosecutors must uphold the Basic Law of the Macao SAR of the PRC, must be loyal to their posts, and honest in performing their official duties, must pledge allegiance to the Macao SAR of the PRC, and also must be sworn in according to law.

Article 102. The chief executive, principal officials, chairman of the Legislative Council, president of the Court of Last Appeal, and public prosecutors must be sworn in according to the provision under Article 101 of this Law when assuming office, and also must pledge allegiance to the PRC.

Chapter V. Economy

Article 103. The Macao SAR shall, in accordance with law, protect the right of individuals and legal persons to the acquisition, use, disposal and inheritance of property, and their right to compensation for lawful deprivation of their property.

Such compensation shall correspond to the real value of the property concerned at the time and shall be freely convertible and paid without undue delay.

The ownership of enterprises and the investments from outside the Region shall be protected by law.

Article 104. The Macao SAR shall have independent finances.

The Macao SAR shall appropriate all financial revenues for its own purposes and shall not hand them over to the central people's government.

The central people's government shall not levy taxes in the Macao SAR.

Article 105. The Macao SAR shall follow the principle of measuring expenditures by revenues in drawing up its budget, strive to maintain a balance between revenues and expenditures, avoid incurring deficits, and work for a budget that corresponds to the gross domestic product.

Article 106. The Macao SAR shall practice an independent taxation system.

The Macao SAR shall, with reference to the low taxation policy originally practiced in Macao, enact laws on its own to stipulate tax categories, tax rates, tax reduction and exemption, and other matters concerning taxation. The monopoly taxation system shall be separately prescribed by the law.

Article 107. The monetary and financial systems of the Macao SAR shall be prescribed by the law.

The government of the Macao SAR shall formulate monetary and financial policies on its own, and safeguard the free operation of financial markets and various types of financial institutions and shall regulate and supervise them in accordance with the law.

Article 108. The Macao pataca, as the legal tender in the Macao SAR, shall continue to circulate.

The authority to issue Macao currency shall be vested in the government of the Macao SAR. The issue of Macao currency must be backed by a 100 percent reserve fund. The Macao currency issuing system and the reserve fund system shall be prescribed by the law.

The government of the Macao SAR may authorize designated banks to exercise or continue to exercise their agency functions in issuing Macao currency.

Article 109. The Macao SAR shall not practice foreign exchange control policies. The Macao pataca shall be freely convertible.

The Exchange Fund of the Macao SAR shall be managed and controlled by the government of the region.

The government of the Macao SAR shall safeguard the free flow of capital within, and into and out of the region.

Article 110. The Macao SAR shall maintain the status of a free port and shall not impose any tariffs unless otherwise prescribed by the law.

Article 111. The Macao SAR shall pursue the policy of free trade and safeguard the free movement of goods, intangible assets, and capital.

Article 112. The Macao SAR shall be a separate customs territory.

The Macao SAR may, using the name "Macao, China," participate in relevant international organizations and international trade agreements, including preferential trade arrangements, such as the General Agreement on Tariffs and Trade and arrangements regarding international trade in textiles.

Export quotas, tariff preferences, and other similar arrangements obtained by the Macao SAR or obtained previously and remain valid, shall all be enjoyed by the region.

Article 113. The Macao SAR may issue certificates of origin of products in accordance with prevailing rules of origin.

Article 114. The Macao SAR shall safeguard the free operation of industrial and commercial enterprises as well as formulate industrial and commercial development policies on its own in accordance with the law.

The Macao SAR shall improve economic environment and provide legal protection to promote industrial and commercial development, to encourage investments and technological progress, and to develop new industries and new markets.

[Text] Article 115. The Macao SAR shall, on its own, formulate labor policies and improve labor laws in accordance with economic development situations.

The Macao SAR shall establish consultative coordinating organizations comprised of representatives of the government, employers' organizations, and employees' organizations.

Article 116. The Macao SAR shall maintain and improve Macao's previous shipping operations and management systems, and shall formulate shipping policies on its own.

The Macao SAR may, with the authorization of the central people's government, proceed with shipping registration and issue relevant certificates using the name "Macao, China" in accordance with the region's laws.

With the exception of foreign warships, access for which requires the special permission of the central people's government, ships may have access to the ports of the Macao SAR in accordance with the region's laws.

Private shipping businesses and shipping-related enterprises and wharfs in the Macao SAR may continue to operate freely.

Article 117. The Macao SAR Government may, on its own and with the specific authorization of the central people's government, formulate various management systems for civil aviation.

Article 118. The Macao SAR shall, on its own, formulate policies on tourism and entertainment industries based on overall local interests.

Article 119. The Macao SAR Government shall carry out environmental protection in accordance with the law.

Article 120. The Macao SAR shall recognize and protect, in accordance with the law, legitimate land leases and all rights in relation to such leases which extend beyond 19 December 1999 granted or decided upon before the establishment of the Macao SAR.

Land leases newly granted or renewed after the establishment of the Macao SAR shall be handled in accordance with the region's relevant land laws and policies.

Chapter VI. Cultural and Social Affairs

Article 121. The Macao SAR Government shall, on its own, formulate educational policies, including policies on the educational system and its administration; language of instruction; allocation of funds; examination system, recognition of academic qualifications and degrees, as well as promote educational development.

The Macao SAR Government shall pursue compulsory education in accordance with the law.

Community organizations and individuals may, in accordance with the law, run various kinds of educational undertakings.

Article 122. Macao's previous educational institutions of all kinds may continue to operate. Educational institutions of all kinds in the Macao SAR shall have the autonomy to operate schools and enjoy teaching and academic freedom in accordance with the law.

Educational institutions of all kinds may continue to recruit staff and use teaching materials from outside the Macao SAR. Students shall enjoy freedom of choice of educational institutions and freedom to pursue their education outside the Macao SAR.

Article 123. The Macao SAR Government shall, on its own, formulate policies to promote medical and health services and to develop Western and traditional Chinese medicines. Community organizations and individuals may provide all kinds of medical and health services in accordance with the law.

Article 124. The government of the Macao SAR shall, on its own, formulate policies on science and technology and, in accordance with the law, protect scientific and technological research achievements, patents, inventions, and creations.

The Macao SAR Government shall, on its own, decide on those scientific and technological standards and specifications applicable in Macao.

Article 125. The Macao SAR Government shall formulate, on its own, policies on culture, including policies on literature and art, broadcasting, films and televisions.

The Macao SAR Government shall, in accordance with law, protect the achievements and the legitimate rights and interests of creators in their literary and artistic pursuits.

The Macao SAR Government shall protect scenic spots and historical sites as well as other historical relics, and the legitimate rights and interests of owners of cultural relics.

Article 126. The Macao SAR Government shall, on its own, formulate policies on the press and publication.

Article 127. The Macao SAR Government shall, on its own, formulate policies on sports. Nongovernmental sports organizations may continue to exist and develop in accordance with law.

Article 128. The Macao SAR Government shall, in accordance with the principle of freedom of religious beliefs, not interfere in the internal affairs of religious organizations, and shall not interfere with efforts made by religious organizations and believers in Macao to maintain and develop their relations with religious organizations and believers elsewhere, and shall not restrict religious activities which do not contravene the laws of the region.

Religious organizations may, in accordance with law, run seminaries and other schools, hospitals and welfare institutions and provide other social services. Schools run by religious organizations may continue to provide religious education, including sponsoring religious courses.

Religious organizations shall, in accordance with law, enjoy the rights to acquire, use, dispose of and inherit property and the right to receive donations. Their previous property rights and interests shall be protected.

Article 129. The Macao SAR Government shall, on its own, decide on a professional system, and shall formulate, in accordance with an equitable and rational principle, the methods of assessing and accrediting various professions and professional qualifications.

Persons with professional qualifications or qualifications for professional practice obtained prior to the Macao SAR's establishment may, in accordance with relevant stipulations of the region, retain their previous qualifications.

The Macao SAR Government shall, in accordance with relevant stipulations, recognize the professions and the professional organizations recognized prior to the region's establishment, and may, as required by developments in society and in consultation with the parties concerned, recognize new professions and professional organizations.

Article 130. The Macao SAR Government shall, on the basis of the previous social welfare system and in the light of the economic conditions and social needs, formulate, on its own, policies on the development and improvement of this system.

Article 131. Organizations providing social services in the Macao SAR, may, on their own, decide on their forms of services provided they do not contravene the law.

Article 132. The Macao SAR Government shall, in accordance with needs and means, gradually improve the policy previously practiced in Macao in respect of subventions for public organizations in such fields as education, science, technology, culture, sports, recreation, medicine and health care, social welfare and social work.

Article 133. The relationship between nongovernmental organizations in fields such as education, science, technology, culture, press, publication, sports, recreation, the professions, medicine and health care, labor, women, youth, returned Overseas Chinese, social welfare and social work, as well as religious organizations in the Macao SAR and their counterparts in other regions across the country, shall be based on the principles of nonsubordination, noninterference and mutual respect.

Article 134. Nongovernmental organizations in fields such as education, science, technology, culture, the press, publication, sports, recreation, the professions, medicine and health care, labor, women, youth, returned Overseas Chinese, social welfare and social work and religious organizations in the Macao SAR may maintain and develop relations with foreign countries and other regions, and with relevant international organizations. They may, as required, use the name "Macao, China" in the relevant activities.

Section 7. External Affairs

Article 135. Macao SAR Government representatives may participate, as members of delegations of the PRC Government, in negotiations at the diplomatic level directly affecting the region conducted by the central people's government.

Article 136. The Macao SAR may, on its own, using the name "Macao, China," maintain and develop relations and conclude and implement agreements with states, regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural, scientific and technological and sports fields.

Article 137. Macao SAR representatives may participate, as members of delegations of the PRC Government, in international organizations or conferences in appropriate fields limited to states and affecting the region, or may attend in such other capacity as may be permitted by the central people's government and the international organization or conference concerned, and may express their views, using the name of "Macao, China."

The Macao SAR may, using the name "Macao, China," participate in international organizations and conferences not limited to states.

The central people's government shall take the necessary steps to ensure that the Macao SAR shall continue to retain its status in an appropriate capacity in those international

organizations of which the PRC is a member and in which Macao participates in one capacity or another.

The central government shall, where necessary, facilitate the continued participation of the Macao SAR in an appropriate capacity in those international organizations in which Macao is a participant in one capacity or another, but of which the PRC is not a member.

Article 138. The application to the Macao SAR of international agreements to which the PRC is or becomes a party shall be decided by the central people's government, in accordance with the circumstances and needs of the region, and after seeking the views of the government of the region.

International agreements to which the PRC is not a party but which are implemented in Macao may continue to be implemented in the Macao SAR. The central people's government shall, as necessary, authorize or assist the government of the region to make appropriate arrangements for the application to the region of other relevant international agreements.

Article 139. The central people's government shall authorize the Macao SAR Government to issue in accordance with law passports of the Macao SAR of the PRC to all Chinese nationals who hold permanent identify cards for the region, and travel documents of the Macao SAR of the PRC to all other persons lawfully residing in the region. The above passports and documents shall be valid for all states and regions, and shall record the holder's right to return to the Macao SAR.

The Macao SAR Government may apply immigration controls on entry into, stay in, and departure from the Macao SAR by persons from foreign states and other regions.

Article 140. The central people's government shall assist or authorize the Macao SAR Government to negotiate and conclude visa exemption agreements with states or regions.

Article 141. The Macao SAR may, as necessary, establish official or semiofficial economic and trade missions in foreign countries, and shall report the establishment of such missions to the central people's government for the record.

Article 142. The establishment of foreign consular and other official or semiofficial missions in the Macao SAR requires the approval of the central people's government.

Consular and other official missions established in Macao by states which have formal diplomatic relations with the PRC may be maintained.

According to the circumstances of each case, consular and other official missions established in Macao by states which have no formal diplomatic relations with the PRC may either be permitted to remain or be changed to semiofficial missions.

States not recognized by the PRC can only establish non-governmental institutions in the Macao SAR.

Chapter 8. Interpretation and Amendment of the Basic Law

Article 143. The power of interpretation of this law is vested in the NPC Standing Committee.

In adjudicating cases before them, the courts of the Macao SAR may, with NPC Standing Committee authorization, interpret the provisions of this law relevant to the Macao SAR's autonomy.

The Macao SAR courts may also interpret other provisions in this law in adjudicating cases before them. However, if the Macao SAR courts need to interpret provisions concerning affairs which are the responsibility of the central people's government, or concerning relations between the central government and the Macao SAR, and the interpretation of the provisions can affect the adjudication of the case, before making their final judgment on the case, the courts of the region shall seek an interpretation of the relevant provisions from the NPC Standing Committee. However, judgments previously rendered shall not be affected.

The NPC Standing Committee shall consult its Macao SAR Basic Law Committee before giving an interpretation of this law.

Article 144. The power of amendment of the law is vested in the NPC.

The right to propose amendments to this law rests with the NPC Standing Committee, the State Council, and the Macao SAR. Amendment proposals from the Macao SAR shall be submitted to the NPC by the delegation of the region to the NPC after obtaining the consent of two-thirds of the deputies of the region to the NPC, two-thirds of all the members of the legislature of the region, and the chief executive of the region.

Before a proposal for the amendment to this law is put on the agenda of the NPC, the Macao SAR Basic Law Committee shall first study it and submit its views.

No amendment to this law shall contravene the established basic policies of the PRC regarding Macao.

Chapter 9. Supplementary Provisions

Annex I. Method for Selecting the Macao SAR Chief Executive

1. The chief executive shall be elected locally by a broadly representative electoral college in accordance with this law, and appointed by the central people's government.

2. The electoral college shall be composed of 300 representatives from the following walks of life:

One hundred representatives from business and financial organizations;

Eighty representatives from cultural, educational, and professional organizations;

Eighty representatives from the labor, social services, and religious organizations; and

Forty representatives composed of Legislative Council members, regional organs personnel, NPC deputies from Macao, and members of the National Committee of the Chinese People's Political Consultative Conference.

Electoral college members serve a five-year term.

3. In accordance with principles for democracy and openness, the Macao SAR shall enact an election law to prescribe the way to differentiate professions, what institutions in a profession can nominate electoral college members, and the number of nominees.

Legal organizations of various professions shall elect their electoral college members on the basis of the number of seats and method of election prescribed in the electoral law.

Electoral college members vote in their personal capacity.

4. Candidates for the chief executive may be nominated jointly by no less than 50 members of the electoral college. Each member may nominate only one candidate.

5. According to the namelist of nominees, the electoral college shall elect the candidate for the chief executive on a one-person-one-vote basis. Detailed rules for the election shall be prescribed in the election law.

6. The first chief executive shall be elected according to the "NPC Decision on the Method for Forming the First Government, Legislature, and Judicial Organs of the Macao SAR."

7. If the method of electing the chief executives in 2009 and afterward has to be amended, the amendment needs the endorsement of two-thirds of all Legislative Council members as well as the consent of the chief executive, and shall be reported to the NPC Standing Committee for approval.

Annex II. Method for Forming the Legislative Council of the Macao SAR

1. The first Macao SAR Legislative Council shall be formed in accordance with the "NPC Decision on the Method for Forming the First Government, Legislative Council, and Judicial Organs of the Macao SAR."

The second Legislative Council shall be composed of 27 members, including:

Ten directly elected members,

Ten indirectly elected members,

Seven commissioned members.

The third and the subsequent legislative councils shall be composed of 29 members, including:

Twelve directly elected members,

Ten indirectly elected members, and

Seven commissioned members.

2. Detailed rules for electing the members shall be prescribed by an election law submitted by the Macao SAR Government and approved by the Legislative Council.

3. If the method for forming the Macao SAR Legislative Council in 2009 and afterward has to be amended, the amendment needs the endorsement of two-thirds of all Legislative Council members as well as the consent of the chief executive, and shall be reported to the NPC Standing Committee for the record.

Annex III. National Laws To Be Implemented in the Macao SAR

The Macao SAR shall promulgate, or implement through legislation, the following national laws beginning 20 December 1999.

1. The "Resolution on the Capital, Chronology, National Anthem, and National Flag of the PRC"

2. The "Resolution on the National Day of the PRC"

3. The "Nationality Law of the PRC"

4. The "PRC Regulations for Diplomatic Privileges and Immunity"

5. The "PRC Regulations for Consular Privileges and Immunity"

6. The "PRC National Flag Law"

7. The "PRC National Emblem Law"

8. The "PRC Law for Territorial Waters and Adjacent Areas"

Namelists of NPC Committee Members Released

Financial, Economic Committee

OW0704010493 Beijing XINHUA Domestic Service in Chinese 0723 GMT 16 Mar 93

[Text] Beijing, 16 March (XINHUA)—Namelist of chairman, vice chairmen, and members to the Eighth National People's Congress [NPC] Financial and Economic Committee:

Adopted by the First Session of the Eighth NPC on 16 March 1993.

Chairman: Liu Suinian [2692 7151 1628]

Vice Chairmen: Li Hao [2621 3493], Huang Yicheng [7806 3015 6134], Zeng Xianlin [2582 2009 2651], Dai Jie [2071 2638], Chi Haibin [6688 3189 3453], Dong Fureng [re-elected], Zhang Xuwu [1728 4872 2976]

Members: Yu Zhijian [0060 1807 1017], Wang Zengjing [3769 2582 2417], Cheng Zhiping [2052 5268 1627], Liu Kai [0491 0418], Sun Shangqing [1327 1424 3237], Li Lun [2621 0243], Lai Jinlie [0171 6855 3525], Wu Dakun [re-elected], Wu Shuqing [0702 2885 7230], He Kang [0149 1660], Zhang Zhou [1728 1108], Zhang Yanning [1728 1750 1337], Zhang Sai [1728 1049], Lu Yansun [7120 3601 5549], Jin Xin [6855 9515], Fei Ziwen [6316

1311 2429], Mo Wenxiang [re-elected], Guo Zhi [6753 1807], Tao Dayong [former vice chairman], Huang Da [7806 6671], Huang Chao [7806 6389]

Law Committee

OW0704014793 Beijing XINHUA Domestic Service in Chinese 0907 GMT 16 Mar 93

[Text] Beijing, 16 March (XINHUA)—Namelist of chairman, vice chairmen, and members to the Eighth National People's Congress [NPC] Law Committee:

Adopted by the First Session of the Eighth NPC on 16 March 1993.

Chairman: Xue Ju [5641 7467]

Vice Chairmen: Xiang Chunyi [re-elected], Cai Cheng [5591 6134], Wang Shuwen [former member], Li Lining [0632 0110 1337]

Members: Yu Hongen [0060 3163 1869], Wang Jiafu [3769 1367 4395], Wang Zhanyi [3769 1455 1942], Bai Meiqing [4101 5019 3237], Xing Benshi [6717 6321 1835], Wu Fuzhao [6762 4395 5128], Sun Wanzhong [1327 3834 6988], Li Hou [2621 0683], Li Senmao [2621 2773 5399], Zhang Wenhua [1728 2429 5478], Zhou Yibing [0719 5902 0393], Zhang Shiming [re-elected], Zhang Ruiying [re-elected, female]

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Article by Wei Jianxin: "Strengthen and Improve Party Building With the Theory of Building Socialism With Chinese Characteristics as the Guide"

Article by Zhang Jiangmin: "A Tentative Discussion on the Foundation of the Theory of Knowledge for the Theory of Building Socialism With Chinese Characteristics"

Article by Zhang Cheng: "A Tentative Study on Deng Xiaoping's Scientific Conception of Common Prosperity"

Article by Shi Zhaobin: "Creating an Investment Environment Is an Important Condition for Developing an Export-Oriented Economy"

Article by Ma Yanli: "The Transformation of Government Functions Calls For Serious Efforts"

Article by Guo Zhenying: "Effective Ways of Transforming the Enterprise Operational Mechanism"

Article by Han Haiming: "Introduce the Mechanism of Competition; Strengthen the Sense of Being the Masters"

Article by Zou Yilin and Wu Songdi: "Attach Importance to the Role of Historical Geography in Economic Construction"

Article by Zhong Chengxiang: "Contain Education in Entertainment, Imply Meanings Through Plots—On the Development Orientation of China's Lengthy Television Indoor Plays"

Article by Wang Chengfu, Ni Liya, Yue Fuxing, Sun Qiuye: "Pioneering Undertaking of Spiritual Civilization Building—A Survey of the Activities Launched by Shandong Province To Build 'Socially and Culturally Advanced Counties'"

Article by Liu Xiuda: "The Economically Less-Developed Regions' 'Path of Bringing Prosperity to the People'—A Survey of Xinyi City's Effort To Develop a Diversified Economy"

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Economic & Social

Article Lauds Bo Yibo's Economic Writings

HK0704001593 Beijing GUANGMING RIBAO in Chinese 24 Mar 93 p 4

[Article by Su Xing (5685 2502): "A Masterpiece Which Uses Materialist Dialectics To Sum Up Experiences in China's Economic Construction—Studying 'Reviewing Economic Construction During Past 30 Years' by Bo Yibo"]

[Text] I. Exploring Economic Laws

More than half of the articles collected in the book *Selected Works of Bo Yibo* are devoted to discussions on economic issues. The article "Reviewing Economic Construction During the Past 30 Years" is a representative piece of his work of far-reaching significance.

This article is a part of Comrade Bo Yibo's speech delivered at a National Forum on the Operation of Party Schools, on 15 January 1980, just a year after the Third Plenary Session of the 11th CPC Central Committee. This article was the first comprehensive and systematic review of our party's economic construction work during the previous 30 years. Reading this article again 13 years later, I deeply feel that it is well grounded in facts and its views have been tested by time.

I think there were two favorable conditions which enabled Comrade Yibo to write a valuable article like this. First, the Third Plenary Session of the 11th CPC Central Committee set to right things which had been thrown into disorder, reaffirming the Marxist ideological, political, and organizational lines. After the session, the errors related to "leftism" in the economic work were conscientiously redressed and economic structure reform was started in rural areas. Comrade Yibo's review of the economic construction over the 30 years previous to 1980 was based on the standards prescribed by the line adopted during the

Third Plenary Session of the 11th CPC Central Committee. Therefore, he showed great foresight and distinguished clearly between right and wrong. Second, after the founding of the PRC, Comrade Yibo had been in charge of the state's economic construction for a long time and played a part in the decisionmaking on certain major issues. He had personal experience of success and failure and cultivated the habit of constantly summing up experience. Thus, he was adept at theoretical reasoning. Lu You, a great poet of the Song Dynasty, said in a verse: "Knowledge from books is, after all, shallow; to gain full knowledge about a matter one needs personal practical experience." Since Comrade Yibo has had "personal practical experience," he has gained "full knowledge." Ordinary scholars and "academics" can hardly turn out an article comparable to this one—"Reviewing Economic Construction During the Past 30 Years."

Comrade Mao Zedong stressed that our cadres must study the dialectical, materialist epistemology and be adept at conducting surveys and studies and summing up experience. He saw the process from inexperienced to experienced, and from less experienced to more experienced, as the only way to understand the law of socialist construction. Comrade Yibo wrote this article in accordance with this requirement. The purpose in summing up experience and drawing lessons from the 30 years before 1980 was to explore the laws governing socialist economic construction. Therefore, today, this article is still of highly practical significance to our present undertaking to build socialism with Chinese characteristics and especially to the current economic construction.

II. Show Respect for Facts and History

In his article, Comrade Yibo said: "Economic construction over the past 30 years has gone through several major twists and turns." He divided the previous 30 years into four development stages separated by five turning points.

The first stage covered the three years of economic recovery and the First Five-Year Plan. This was an important stage which laid down the material foundation for socialist construction. During this stage, the party shifted its focus of work from rural to urban areas and from revolutionary war to economic construction. This was the first great change, an extremely brilliant milestone in the history of development of the Chinese Revolution. In terms of economic development, this was the first turning point. The line, principles, and policies we implemented in economic construction at that time were correct. During the First Five-Year Plan period, China's economy grew at a relatively high speed, the general social mood was good, and the people's livelihood was gradually improving. The late period of this stage saw the second turning point, which stemmed from an attempt to seek a road to economic development which suited China's circumstances. It was marked by a report by Comrade Mao Zedong, "On the 10 Major Relationships," and by the adoption during the Eighth CPC National Congress of the resolution that the party's major task was to vigorously develop the productive forces of society and to shift the focus of work

onto economic construction. However, in 1957, a dispute burst out within our party between those who were in favor of advancing rashly and those who were against it. Some slogans displayed at that time deviated from the correct principle which had been forwarded at the beginning of the second turning point. Comrade Yibo holds that: Generally speaking, "the second turning point was originally meant to seek a road to economic construction which suited China's national conditions. It was from the best of intentions and, in the beginning, the switchover was very smooth. Had it gone on, step by step and in good order, it would have been very promising. However, the process went beyond the limits of truth and went awry in 1958, seriously disrupting the work during the following period."

The second stage covered the Second Five-Year Plan beginning 1958 and including the Great Leap Forward and the three years of natural disasters. The "antirightist" campaign was escalated after the Nanning Conference. The Second Meeting of the Eighth CPC National Congress, held in May 1958, carried on the struggle against "rightism." Then, during the later Beidaihe Meeting, a decision was adopted to establish people's communes and a plan was formulated to set the grain output target at 700 billion jin that year. In addition, the slogan of "taking steel production as the key link" was officially forwarded and the figure "10.7 million tonnes" (a 100-percent increase in steel output) was put down in the meeting communique. During that period, there were many abnormal phenomena in our economic work and many idealistic practices prevailed, such as excessively high targets, arbitrary and impracticable directions, proneness to boasting and exaggeration, and the tendency to effect the transition to communism prematurely, all of which simply went counter to objective laws. Comrade Mao Zedong was the first to advocate stopping such malpractices as excessively high targets, arbitrary and impracticable directions, and the tendency to effect the transition to communism prematurely. During the Zhengzhou, Wuchang, and Shanghai Meetings, he repeatedly reminded people of the impracticality of those ideas which were forwarded after the Nanning Meeting. More efforts were made during the first half of the Lushan Meeting to calm down the participants. However, in the second half of the meeting, an "antirightist" struggle began to prevail again, ruining once and for all the achievements made during the anti-"leftist" struggle over the previous eight months. The economic operations which had been gradually cooled down from November 1958 to July 1959 were suddenly expanded tremendously during the half year or more after the Lushan Meeting, seriously upsetting the economic balance and resulting in an enormous decline in industrial production, the collapse of agriculture, and an abnormal loss of population. These were the stern penalties which the objective economic laws inflicted on us. Such being the case, we had the third turning point in the latter half of 1960. We were forced to effect this turning, which was characterized by the principle of "readjusting, consolidating, filling out, and raising standards." Comrade Yibo said: "That turning conformed with the objective economic laws because we would have

entered an impasse had we not started a readjustment and the national economy would have collapsed if we had continued to act rashly."

The third stage, which began in the latter half of 1961, was a period of economic readjustment. At that time, readjustment mainly meant reducing the scale of capital construction and ordering enterprises to shut down, suspend operations, amalgamate with others, or switch to the manufacture of other products. The purpose of "backing off" was to seek a balance between the various sectors so that the economy could develop better, in a planned way, and in proportion. But the operation did not simply mean "backing off," it involved a preliminary summing up of experience and some trial reforms. Comrade Yibo held that "the readjustment at that time had quite rich contents, involved extremely arduous tasks, and ended up with remarkable successes." Thus, by 1965 "production was booming, the market was brisk, the people were happy, and our country was reinvigorated and began to stride forward again." Nevertheless, the "Great Cultural Revolution" suddenly burst out at that moment, leading the economic construction to the fourth turning point. Comrade Yibo maintained that "this turning point was different from the three previous turning points by nature because it was due to serious mistakes in the guiding ideology."

The fourth stage spanned from the "16 May Circular" of 1966 to the smashing of the "Gang of Four" in October 1976. There were fluctuations over these 10 years. The economy suffered less in some years but, in general, it was subject to continued interference and sabotage by the Lin Biao clique and the "Gang of Four" throughout the whole period. The rural areas, industrial and commercial enterprises, and the entire economy were disrupted, and this caused a catastrophe to the country as a whole.

When Comrade Yibo wrote the report in question, China's economy was undergoing a new turning point. This was a great turning point of far-reaching significance. The hallmark of this turning point was the Third Plenary Session of the 11th CPC Central Committee, which demanded that we shift our focus of work onto economic construction. This opened a new era in the development of socialist undertakings in China.

Comrade Yibo said: "Reviewing the economic development over the past 30 years, we see that we have covered a rugged road. The 30 years of economic work has left us very rich historical experience, both positive and negative. From these experiences all the party should draw lessons." In his opinion, to sum up experience we need to get a clear picture of what has happened in the past. The article of his which we are talking about has basically fulfilled this requirement because it shows respect for facts and history.

III. Profound Reflection

Having reviewed the history of economic development over the 30 previous years, Comrade Yibo talked of four points in his reflection. These points are the outcome of the generalization of experience and lessons which we

should bear in mind in building socialism with Chinese characteristics, especially in economic construction.

The first point is that we should steadfastly shift the party's focus of work onto economic construction after completion of the socialist transformation; we must not deviate from this focus unless the country is facing a massive aggression from a foreign enemy; and we must do away with interference from political campaigns. Comrade Yibo maintained: "This is not only an economic issue but also a question concerning where to place the focus of the party's work as a whole. This is, one can say, a major issue regarding the strategic idea and deployment." The shifting of the focus of work had been put forward during the Eighth Party Congress in 1956. But this was not realized for various reasons and because of repeated interference. Interference in economic construction as the key task was mainly caused by the practice of "taking class struggle as the key link" and the successive political campaigns. This was a very profound lesson. The Third Plenary Session of the 11th CPC Central Committee resolutely stopped the use of the slogan—"taking class struggle as the key link"—which is no longer applicable to the socialist society. This decision is supported by all the party but we cannot say that the influence of this slogan has completely vanished. Because of some domestic factors and foreign influence, class struggle will remain within a certain scope for a long time and it may intensify under certain conditions. When the situation is changing, we must pay special attention to ensure that we will unswervingly stick to economic construction as the central task. The 14th party congress report pointed out: "In brief, the experience of the great practice over the past 14 years points to one thing and that is, we must absolutely unswervingly uphold the party's basic line prescribed by the theory on building socialism with Chinese characteristics." "To unswervingly uphold the party's basic line, the key lies in unswervingly sticking to economic construction as the central task." This is a scientific thesis.

The second point is that economic construction must be based on the guidance of a correct ideological line and the principle of seeking truth from facts; one must proceed from reality in everything and try one's best to act according to objective laws. Comrade Yibo said: "In the past 30 years, whenever we were in a more difficult situation, for instance, after liberation, we took over the shambles from the Kuomintang, an economy in which production was paralyzed, inflation was aggravated, commodity prices were soaring, and the people were living in difficulty, we were usually more cautious, more open-minded, more patient, and more realistic." "However, whenever the economic situation improved, or if it looked promising but actually was not really good, or if we were misled by appearances and mistakenly believed it to be good, we always got dizzy; became imprudent, complacent, and impatient; and lost the sense of crisis, and we would act recklessly, be fond of 'leftism,' and the problems would then be so aggravated as to have a general impact and become very knotty." Comrade Yibo pointed out: "Without the success of the First Five-Year Plan, we could not possibly have become extremely dizzy with success in

1958; without the success of the economic readjustment from 1962 to 1965, perhaps the great disaster of the 'Great Cultural Revolution' would not have happened, or it might have happened a little later." This is an important lesson. At present, China's economic situation is excellent. Inspired and guided by Comrade Deng Xiaoping's important remarks made during his trip to the south early last year, and the spirit of the 14th party congress, we have managed to make 1992 the third year of record growth since the reform of the economic structure. In face of such a situation, our party has remained calm and has conscientiously dealt with and taken the initiative in resolving problems arising from high economic growth, worked in a down-to-earth manner, and taken action to prevent the economy from becoming overheated. This indicates that we have learned something from the profound historical lesson.

The third point is that, in the process of economic development, we must try our best to seek an equilibrium out of sustained disequilibrium, in other words, we must maintain an overall balance in our economic planning. To maintain an overall balance we must do a particularly good job in three aspects: 1) the ratio between heavy industry, light industry, and agriculture; 2) the ratio between finance, credit, and material supply; and 3) the ratio between accumulation and consumption. Comrade Yibo said: "After the First Five-Year Plan, we took a one-sided approach in copying the Soviet Union's experience. We were divorced from the specific conditions in our country, overlooked the link between the production of capital goods and consumer goods, and ignored the prerequisite of the interrelation and mutually complementary relations between agriculture and industry and between heavy and light industries. In other words, we forsook materialist dialectics and embraced metaphysics. For a while we placed undue stress on preference toward the iron and steel industry and, therefore, we always mapped out the national economic plan with the primary consideration given to the steel output." In consequence, "we failed to maintain the economic balance as it should have been and the economy could not develop smoothly but was faced with great difficulties." This being the case, we could not maintain a balance in finance, credit, and material supply.

When discussing the above ratios, Comrade Yibo laid special stress on the ratio between accumulation and consumption. His speech entitled: "Correctly Handle the Ratio Between Accumulation and Consumption," delivered at the eighth national party congress, was the first theoretical attempt to systematically elaborate on this question. He pointed out that the quantity and growth rate of accumulation not only directly affect the speed of socialist industrialization but also the consumption level and the extent of improvement in the people's livelihood. This is a question of prime importance in the process of the socialist industrialization of China. Comrade Yibo not only studied the theoretical question of accumulation and consumption but also conducted unremitting research to discover a reasonable accumulation rate. In his speech at the eighth party congress he suggested that the rate be set at 20 percent or higher; in the article in question—

"Reviewing Economic Construction During the Past 30 Years"—he said the suitable rate should be around 25 percent; in his speech at the preparatory meeting of the Seventh Plenary Session of the 11th CPC Central Committee in 1982, he maintained that the rate should be 25 percent and can be further raised to 26, 27, or 28 percent but should never be higher than 30 percent. The range of the rate he suggested, I think, suits the actual needs because, according to our past experience, the accumulation rate always exceeded 30 percent during every occasion in the past when the country's economy was seriously out of balance and whenever this happened, we were forced to embark on an economic readjustment. In his article, Comrade Yibo said: "To properly maintain an overall balance, a realistic and positive practice is to take the initiative in effecting a timely readjustment whenever the national economy is seriously out of balance." However, a massive readjustment may in the end cause too great a loss. An effective approach is to conscientiously exercise macroscopic control over the accumulation rate, which serves as the warning limit to ensure sustained, stable, and coordinated economic development. Once the accumulation rate exceeds 30 percent, it must be brought to one's attention and one must take the initiative in controlling and fine-tuning the scale of capital construction. Small-scale readjustment can prevent massive readjustment. The fourth point is that it is necessary to correctly handle the relationship between the centralization of power and the delegation of power to local authorities. Comrade Yibo maintained: "Whether the national economy can develop smoothly depends to a very large extent on whether or not the management structure is rational. The enterprise's self-decisionmaking power is an essential feature of the economic management structure. In the past, we have paid very little attention to this and, from now on, we must pay more attention to studying this question." Another question is the one concerning the centralization of power and the delegation of power to local authorities. Excessive centralization of power will more or less dampen the initiative on the part of localities. However, it is no good if too much power is delegated to the lower levels. The phenomenon we saw in 1958, with various localities going their own way and the scale of capital construction over-expanded was, to a very large extent, due to excessive diversification of power. By and large, excessive centralization is not good and one is better off delegating a fairly large amount of power to the localities, especially to enterprises. Nowadays, in the wake of the reform of the economic structure, we have made remarkable progress in these two aspects. Enterprises are becoming commodity producers and traders who operate on their own, assume full responsibility for their profits and losses, accumulate funds on their own, and exercise self-restraint, while the initiative of the localities has been brought into full play. However, to ensure that the enterprises can really enjoy the self-decision-making power, much effort has yet to be made, and further study is also necessary, if we are to maintain a balanced relationship between the centralization of power and the delegation of power to local authorities.

IV. Upholding Historical Materialism

When Comrade Yibo made the report, there were varied views within the party regarding the appraisal of Comrade Mao Zedong and Mao Zedong Thought and the "Resolution on Certain Questions in the History of the Party Since the Founding of the PRC" had not yet been adopted. But the view embodied in Comrade Yibo's report is in keeping with the spirit of the "Resolution" and historical materialism.

Comrade Yibo elaborated on his views on Comrade Mao Zedong and Mao Zedong Thought by referring to some specific cases. He said: "We can now see a change within our party. In the past, we believed that Chairman Mao was right, so we said that whatever he did was right. This attitude is wrong. It now goes the other way round. As Chairman Mao is said to have made mistakes, it seems that whatever is related to Chairman Mao is wrong. This is not the correct approach. We should, after all, view things from two aspects. Chairman Mao was a great Marxist and the banner of Mao Zedong Thought must not be forsaken. But Chairman Mao had some shortcomings and did commit some mistakes. He made mistakes during his later years, some of which were very serious. Comrades Liu Shaoqi and Peng Dehuai were also good comrades and great Marxists. The past verdicts disgracing them were wrong and certainly must be redressed. To reverse their cases is justified. But this does not mean that they were flawless. We will go counter to the dialectic approach if we came to a conclusion like that. Practice is the criterion of truth, right is right, and wrong is wrong. We should view things with this approach." With regard to the economic setbacks after 1958, Comrade Yibo disagreed with those who said these setbacks resulted from a wrong line pursued by the whole party. He held that Comrade Mao Zedong still hoped to correct those mistakes but he did not do it resolutely enough and therefore he failed in his attempt. After that, during the latter half of the Lushan Meeting, he committed another "leftist" mistake. During the several years of the "Great Leap Forward," our party let the people down because of its poor performance. In spite of this, the masses showed tolerance toward us, in the belief that we had caused a mess from good intentions.

Comrade Yibo not only applied historical materialism to the analysis of Comrade Mao Zedong, Mao Zedong Thought, and the mistakes committed by the party, but he also adopted a historical materialist attitude toward his own work. For instance, when talking of the slogan of "taking steel production as the key link" and as the locomotive pushing all other lines of production ahead which he put forward in 1958, he said: "Today, when reviewing the past, I believe this slogan was wrong and I was responsible for it. Practice has proved that the slogan of 'taking steel production as the key link' had not pushed other lines of production ahead and could not possibly do so. The outcome was contrary to the expectation. It turned out that the iron and steel industry squeezed out light industry, agriculture, cultural undertakings, and education and slowed down urban construction, and improvement of the living standards in particular. It also bogged down the

production of coal, power, and oil and the operation of transportation and also other service industries." Comrade Yibo also admitted that he himself is among those responsible for the decision to write down the figure "10.7 million tonnes" in the meeting communique. In 1981, when airing his opinions on the drafting of the "Resolution on Certain Questions of the Party's History Since the Founding of the PRC," Comrade Deng Xiaoping pointed out: "The leading body must bear part of the responsibility for certain issues in the past. Of course, Comrade Mao Zedong must take the principal responsibility." "It is not bad if we bear some responsibility. Instead it will be beneficial to us because we can draw some lessons from these cases." Comrade Yibo's admitting his responsibility for the cases indicates that he and Comrade Deng Xiaoping are of the same opinion.

Finally, the value of this article by Comrade Bo Yibo also lies in that it is not only a generalization of historical experience but also has attached an extreme importance for new things which have emerged from the reform and opening up. For example, he holds that the joint-stock companies rising from pilot projects for expanding the enterprise's self-decision-making power are a new type of enterprises and appear to be pursuing the right path and in the correct direction, so we should constantly sum up experience and gradually bring the reform onto a track of wholesome development. The integration of the planned regulation and market regulation is a task which requires great technique and it calls on us to sum up experience, draw lessons, and discover a solution. This spirit, which he has shown in being sensitive to new matters and eager to study new cases and solve new problems, is particularly inspiring to us.

Foreign Exchange in Beijing Tops \$1 Billion

OW0604115993 Beijing XINHUA in English 1143
GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Foreign exchange deposits by individuals in Beijing had surpassed the one billion U.S. dollar mark by March 25, a total higher than in any other city in China, a local official said today.

Wu Zhongguang, governor of the Beijing branch of the bank of China, said Beijing now accounts for 15 percent of all hard currency deposits in the Bank of China.

According to other officials at the branch, foreign exchange deposits by individuals and businesses soared to 1.6 billion U.S. dollars from only 1.24 million dollars in 1979, when the branch was inaugurated.

The average monthly increase in individual hard currency deposits jumped to 21.7 million U.S. dollars in 1992 from 7.93 million dollars in 1984.

They attributed the rapid increase to Beijing's opening wider to the outside world, its ever-growing foreign trade and export-led economy, and a sharp rise in residents' incomes.

The number of the branch's savings banks to take hard currency deposits has increased from three in 1979 to 130, and the number of its workers has risen from 103 to nearly 3,000.

Customers now can deposit U.S. dollars, Japanese yen and Hong Kong dollars at all of the 130 savings banks, and can deposit U.S. dollars, Japanese yen, pounds sterling, French francs, German marks and Hong Kong dollars at some savings banks.

Meanwhile, the officials said, the branch has since 1980 extended hard currency loans totalling nearly two billion dollars in support of Beijing's energy, transport, textile, raw materials, telecommunications and light industries.

Foreign Investment Increases in Beijing Industry

OW0604121293 Beijing XINHUA in English 1150 GMT 6 Apr 93

[Text] Beijing, April 6 (XINHUA)—Foreign investment in Beijing's industry expanded markedly last year, according to the sixth Beijing Industrial Foreign Investment Conference held here today.

Last year, the city signed some 200 industrial projects with foreign investors involving a total of 900 million U.S. dollars, 400 million of which came from foreign investors, and the last figure was 3.1 times that of the previous year.

By the end of last year, foreign-funded industrial projects totalled 413 in the city, taking in one billion U.S. dollars of foreign investment.

Some foreign-funded enterprises of large scale or involving new and high technology were set up in the city. The projects set up in 1992 involved an average of 4.5 million U.S. dollars.

In addition to industrial projects, foreign investors were putting their money into real estate, consulting services and other service trades.

In 1992 foreign-funded industrial enterprises fulfilled an output value of 7.9 billion yuan (about 1.38 billion U.S. dollars) and a pre-tax profit of 2.1 billion yuan, an increase of 38 percent and 45 percent over the previous year.

10-Point Foreign Trade Enterprises Reform Plan

HK0604145893 Beijing ZHONGGUO XINWEN SHE in English 1158 GMT 6 Apr 93

[Text] Beijing, April 6 (CNS)—A spokesman for the Ministry of Foreign Trade and Economic Cooperation recently revealed a ten-point reform scheme for foreign trade enterprises.

First, enterprises will change their role as entities implementing the state plan into ones handling the import and export of commodities. They will be market-minded and will involve themselves in competition.

Second, the priority for these enterprises will switch from earning foreign exchange along into the dual purposes of turning out foreign exchange and economic results.

Third, the practice of cheap prices for the expansion of the market will give way to "quality first".

Fourth, over-reliance on a handful of markets will be replaced with diversification of markets.

Fifth, doubt cast on foreign investment and the practice of wait-and-see will be abandoned and instead enterprises will be keen on making use of foreign capital.

Sixth, enterprises will reduce gradually the practice of taking over and will adopt a role of agent, develop industry and set up a base for steady sources of goods.

Seventh, short-term management practice will change into long-term with a share of the market.

Eighth, the practice of waiting for clients to approach first will be given up and positive management and promotion of marketing will be encouraged.

Ninth, the organization pattern of a particular enterprise will develop step by step into a group pattern.

Tenth, single product management and trade pattern will be turned into the practice of a core business with management of various business scopes and of diversified trade modes.

RENMIN RIBAO Editorial on Agriculture

OW0604143993 Beijing XINHUA Domestic Service in Chinese 1207 GMT 6 Apr 93

[RENMIN RIBAO 7 April editorial: "A Pressing Need in Agriculture Is To Implement Policy"]

[Text] Beijing, 6 Apr (XINHUA)—Since we started implementing the reform and opening up policy, China's agriculture and rural economy has been developing by leaps and bounds, making major contributions to facilitating reform, opening up, and economic construction; promoting social stability and improving the people's livelihood; and giving full rein to its role as the foundation of the national economy. To accomplish the second-step strategic objectives of China's modernization, we must further strengthen the status of agriculture as the foundation and truly raise the rural economy to a new level. An urgent task in consolidating and developing the excellent situation in the countryside is to earnestly implement the party's policies in the countryside to effectively protect and mobilize the peasants' enthusiasm for production.

Historical experience illustrates that once agriculture shows signs of improvement, people are often liable to make over-optimistic and unrealistic estimates of agriculture and the economic strength of the peasants; practices such as squeezing agricultural resources and milking the peasants have even emerged. The prominent manifestations at present are: The diversion of funds earmarked for agricultural use; widespread use of IOU's in lieu of cash payments in the procurement of grain and cotton; blindly launching projects or starting establishments regardless of the peasants' ability to tolerate them, and illegal collection of fees and other charges that increase the peasants' burden; setting up development zones everywhere by

enclosing arable lands in disregard of realities; failure to enforce ceiling prices for means of production and raising prices at will; flooding the market with fake and shoddy goods; and some localities, instead of following the mass line in conducting their affairs, have gone in for formalism and resorted to coercion and commandism. These practices have harmed the peasants' interests, dampened their enthusiasm for production, and severely affected cadre-people and party-people relations. If we do not firmly check them, they will certainly hamper the sustained and steady development of agriculture, and weaken agriculture's position as the foundation of the economy. Then, there will be the danger that nothing will come of our drive to seize the opportunity to speed up development and raise the national economy to a new level in a quicker and better way.

Since the day they detected the problems that have arisen in agriculture and rural work, the CPC Central Committee and State Council have been paying close attention to them. In late December, General Secretary Jiang Zemin and Premier Li Peng presided over a meeting of six southern provinces on agriculture, a forum on rural work, and a national television and telephone conference on agricultural work. Immediately after the New Year, the State Council convened a national conference to announce the grain producing and marketing policy and policy for ordering grain, and a national conference on cotton procurement. Not long ago, the CPC Central Committee again issued an urgent circular on easing farmers' burdens which lays down clear guiding principles and a set of major decisions designed to solve the prominent problems in agriculture and rural areas. The main points are: Never waver in making agriculture the foundation; put a firm stop to illegal occupation or use of arable lands; make sure that IOU slips are eliminated; keep fees levied on peasants under 5 percent of their annual per capita net income; directly distribute chemical fertilizer and diesel oil that is linked to contracted procurement of grain and cotton to peasants and pay them additional prices; introduce protective prices for grain and cotton procurement; set up a regulatory risk fund for grain; give out earnest money for grain and cotton procurement; enforce ceiling prices for agricultural means of production; lower the tax rates for special agricultural and forestry product tax, and provide support to key grain and cotton-producing areas; and so on and so forth. This series of important measures has aroused the attention of party and government leaders at all levels and is supported by the broad ranks of peasants. So long as the whole nation carries out these measures one by one and to the letter with concerted efforts, it is entirely possible to solve the many prominent problems in agriculture and rural areas.

A crucial and pressing task at the moment is for party committees and governments at all levels to do solid work and to firmly, effectively, and conscientiously implement all aspects of the major policy decisions and various measures set forth by the party Central Committee and the State Council; they should by no means confine themselves to paying lip service or issuing general appeals. They should not act hesitantly or slowly, much less adopt an

indifferent attitude and stick to their own ways. Now that the party Central Committee and the State Council have made the decision, we must prevent a downturn in agriculture, protect peasants' interests and initiative, and make every effort to raise agriculture to a new level. This is a matter of vital importance to overall economic development and general social stability. No localities, departments, or units should take this matter lightly.

We complete the following tasks to implement rural policies: First, party committees and governments at all levels and relevant departments must carefully ascertain whether agriculture has been given top priority in national economic work and whether they are unduly taxing agricultural resources. Second, we should extensively conduct all kinds of publicity efforts in order to make everybody aware of the policies of the party Central Committee and the State Council to inspire the peasants' enthusiasm for production and tighten public supervision. Third, we should organize various aid-agriculture departments to serve well the efforts to implement various economic policies through a division of work based on individual responsibility and through concerted efforts. Fourth, central government organs and provincial (autonomous regional), municipal, county, and township governments should institute a specific responsibility system whereby departments and leaders are responsible for implementing policies. Meanwhile, we should improve the system of inspection and supervision. At present we should transfer a number of competent cadres from their units and organize them into inspection teams. Led by top leading comrades, these inspection teams will go to the countryside and among peasant households for a careful assessment of the way policies are implemented. We should commend those who have done well in this respect; we should conduct criticism and education and should order corrective actions within a prescribed period if we find that policies are implemented inadequately, superficially, perfunctorily, and loosely. We should sternly deal with foot-dragging. Fifth, we should evaluate the performance of various departments and cadres at all levels against the important criteria of whether party policies are being implemented seriously, whether agriculture and rural work have been truly strengthened, and how successful these efforts have been.

The hectic work of spring farming has begun. It is hoped that party committees and governments at all levels will seize the opportunity and take action to protect peasants' interests, to further inspire the peasants' enthusiasm for production, to maintain sustained agricultural development, and to ensure there will be bumper harvests in agriculture this year; it is hoped they will take these efforts as the practical actions of implementing the guidelines of the 14th national party congress and First Session of the Eighth National People's Congress, and will make conscientious efforts to achieve results.

Correction—Minister Views Telecommunications

HK0704071093

The following correction pertains to the item headlined "Minister Views Development of Telecommunications," published on pages 57-58 of the 6 April China DAILY REPORT:

Page 57, second column, first paragraph, second sentence, should read: ...the goal of increasing postal and telecommunication service volume by the year 2000 to eight times [fan san fan 5064 0005 3972] as much as in 1980, to the new goal of improving them to 16 times [fan si fan 5064 0934 3972] as much.... (rewording, correcting numbers, and adding stc's);

Same page, same column, second paragraph, third sentence, should read: ...mainland will have 96 million telephone lines, 5 percent of.... (rewording and changing "98 million" to "96 million");

Same paragraph, fourth sentence, should read: ...will increase to 300,000. In the meantime,.... (changing "30,000" to "300,000").

Northeast Asia

Jilin Communique on Economic Development

SK0204095493 Changchun JILIN RIBAO in Chinese
2 Mar 93 p 1

[Statistical Communique on 1992 National Economic and Social Development of Jilin Province issued by the Jilin Provincial Statistical Bureau—date not given]

[Text] In 1992, the people of various nationalities across the province conscientiously implemented the important speeches that Comrade Deng Xiaoping had made during his tour to south China and the guidelines of the 14th CPC Congress under the leadership of the provincial party committee and the provincial government; further emancipated minds; accelerated the pace of reform and opening up; developed the socialist market economy; noticeably speeded up the rate of developing production, construction, circulation, and other spheres; improved the economic efficiency; continued to improve the people's lives; achieved new progress in all undertakings, including science, technology, education, culture, public health, and sports; succeeded in making the entire national economic performance enter a fairly rapid development stage; and made a good start in realizing the overall plan of enabling the economy of the whole province to jump to a new stage in three years. According to statistics, the province's gross domestic product during the year was 51.45 billion yuan, up 12.9 percent over the previous year. Of the total, the increased value of the tertiary industry was 12.67 billion yuan, up 18.2 percent and accounting for 24.6 percent of the gross domestic product. The major issues existing in economic performance were: The readjustment of economic structure was slow, large financial difficulties remained, the task of raising economic efficiency was fairly arduous, and the external environment for developing the socialist market economy needed to be improved.

1. Agriculture

Agricultural production developed steadily. In 1992, the rural areas across the province further improved the family-based output-related contract responsibility system, actively promoted the building of the agricultural socialized service system and the readjustment of the agricultural production structure, and developed agriculture toward an orientation of high yield, good quality, and high efficiency. The increased value of agriculture of the whole province was 13.08 billion yuan, up 1.8 percent and accounting for 25.4 percent of the gross domestic product.

Although grain production was affected by the unfavorable weather, such as low temperature and summer drought, we still reaped a fairly good harvest during the year thanks to our efforts to increase agricultural input and actively carry out the "science and technology efficiency year" activities, thus marking the year the third high-yield year in the history of Jilin Province.

The output of the major agricultural products were as follows:

	1992	percentage increase over 1991
Grain	18.403 million tons	-3.1
Corn	13.266 million tons	-5.2
Paddy	3.03 million tons	-1.1
Soybean	754,000 tons	5.3
Oil-bearing crops	358,000 tons	-17.7
Sunflower seeds	279,000 tons	-22.1
Beetroot	918,000 tons	-16.2
Flue-cured tobacco	55,000 tons	26.5
Hemp	4,000 tons	-38.9
Cultivated ginseng	20,000 tons	-0.6
Vegetables	4.474 million tons	4.0
Melons (Fruits)	539,000 tons	86.0

The development of diversified agricultural undertakings was accelerated. Much progress was also made in animal husbandry production. The major animal by-products and the number of hogs and large animals in stock during the year comprehensively increased after the fairly high increase in the previous year.

The output of the major animal by-products and the number of livestock in stock were as follows:

	1992	percentage increase over 1991
Pork, beef, mutton	501,000 tons	7.1
pork	429,000 tons	5.0
beef	62,000 tons	24.9
Cow milk	109,000 tons	-10.8
Eggs	305,000 tons	11.1
Sheep wool	9,042 tons	-0.9
Number of hogs slaughtered	4.645 million	4.7
Year-end figure of hogs	5.448 million	4.2
Year-end figure of large animals	3.411 million	7.1
cattle	2.229 million	11.9
Year-end figure of sheep	2.276 million	-0.5

Forestry and fisheries steadily developed. Some 111,000 hectares of land were afforested, and the province's wooded areas reached 37.9 percent. We made good achievements in prevention of forest fires and managed to prevent large forest fires for 12 consecutive years. The output of aquatic products reached 85,000 tons, an increase of 7.9 percent over the previous year.

We made extraordinarily faster development in town and township enterprises and set a historical record in improving the scale and quality of town and township enterprises. Their development speed and economic results increased at a fast speed. The output value realized

by town and township enterprises reached 21.11 billion yuan, an increase of 31.2 percent; and their profits reached 1.85 billion yuan, an increase of 24.6 percent. The rapid development of town and township enterprises further promoted the optimization of the rural industrial structure. The proportion of the output value of the nonagricultural sectors in rural areas, such as rural industry, construction, transportation, commerce, and catering trade, in the total product of the rural society rose from 42.9 percent in 1991 to 49.7 percent.

The development of the rural commodity economy was accelerated. The output value of farm products reached 13.11 billion yuan, an increase of 8.7 percent. The overall commodity rate of farm products reached 64.1 percent.

The external conditions for agricultural production were further improved. The input to agriculture increased. Financial departments allocated 750 million yuan of funds to aid agriculture, an increase of 11.4 percent. Agricultural loans granted by banks and credit cooperatives totaled 1 billion yuan, an increase of 20.9 percent. We made noticeable achievements in rejuvenating agriculture with science and technology and further popularized and applied 34 agricultural scientific and technological achievements, such as systematic cultivation of corn, thin planting of paddy rice on dry land, interplanting of rice and wheat, elimination of insect pests with trichogrammas, and use of high-pressure mercury lamps for elimination of corn borers. Some 1.905 million hectares of farmland were farmed by machines, an increase of 2.4 percent; 911,000 tons of chemical fertilizer (converted to 100 percent efficiency) were applied; and 1.9 billion kilowatt hours [kwh] of electricity were used by the rural areas, an increase of 4.3 percent.

The major problems in agricultural development were as follows: The agricultural structure did not suit the demands of the market economy; the diversified economy and the nonagricultural sectors accounted for a comparatively low proportion, there was a big shortage of grain storage and transportation facilities, and the peasants' income increased at a slow rate.

2. Industry and Construction

The province's industry and construction developed at a fairly fast speed. The increased value of the secondary industry was 25.7 billion yuan, showing an increase of 18.2 percent over the previous year and accounting for 50 percent of the gross domestic product.

In 1992, the industrial enterprises across the province conscientiously implemented the "regulations," further deepened reform, positively readjusted the managerial mechanism and the organizational structure, readjusted the product mix according to market demands, developed new products, and positively pioneered domestic and foreign markets. A good trend of the production and marketing of industrial products increasing at the same pace emerged. The increased value of industry reached 22.72 billion yuan, showing an increase of 17.4 percent

over the previous year, which was the largest annual increase since the implementation of the reform and open policy.

The output of the heavy industry increased at a higher speed due to the high demands for investment. The increased value of the heavy industrial enterprises at or above the township level reached 13.78 billion yuan, an increase of 17.0 percent. The output of some basic industrial products, such as machinery products, chemical industrial products, building materials, and metallurgical products, increased by a big margin. Light industrial production steadily increased. The increased value of the light industry reached 5.76 billion yuan in the year, an increase of 13 percent. The output of readily marketable and high-quality daily necessities and durable consumer goods continued to increase. The output of some poor-quality products without competitiveness was reduced.

The output of major industrial products was as follows:

	1992	Percentage increase over 1991
Cloth	182 million meters	-4.9
Chemical fiber	34,000 tons	8.8
Woolen fabrics	5.878 million meters	-7.6
Machine-made paper, paperboard	614,000 tons	2.6
Beer	495,000 tons	19.7
Cigarettes	660,000 crates	5.4
Sugar	99,000 tons	7.3
Synthetic detergents	17,000 tons	-16.9
Bicycles	202,000	-23.7
Wrist watches	1.139 million	-5.6
Television sets	189,000	-11.9
color sets	131,000	16.7
Household washing machines	288,000	0.3
Plastic products	96,000 tons	33.7
Nonrenewable energy resources (in standard coal)	23.552 million tons	-6.7
Raw coal	23.761 million tons	-3.5
Crude oil	3.451 million tons	0.8
Amount of crude oil processed	4.249 million tons	4.5
Electricity	20.06 billion kwh	0.6
hydroelectricity	3.55 billion kwh	-44.9
Rolled steel	911,000 tons	30.4
10 nonferrous metals	34,000 tons	16.9
Ferroalloy	251,000 tons	11.9
Timber	4.385 million cubic meters	-12.5
Plate glass	2.092 million weight boxes	8.5

	1992	Percentage increase over 1991
Cement	5.727 million tons	22.0
Sulphuric acid	113,000 tons	3.6
Soda ash	5,000 tons	-49.1
Caustic soda	91,000 tons	5.8
Synthetic ammonia	491,000 tons	3.5
Chemical fertilizer	299,000 tons	2.8
Calcium carbide	90,000 tons	-5.0
Plastics	59,000 tons	4.0
Outer tires	1.177 million	8.6
Metal-cutting machine tools	2,097	85.7
Motor vehicles	145,000	56.6
Tractors	2,700	-14.7
Small tractors	55,000	-13.7
Passenger trains	825	1.7

The coordination between producers and distributors of industrial products became better, and economic efficiency was gradually improved. Industrial enterprises earned 62.32 billion yuan from marketing in the year, up 23.1 percent from the previous year. Expansion of sales led to higher major norms of the economic efficiency of industrial enterprises.

Changes of the major norms of the economic efficiency were as follows:

	1992 (percentage)	Increase over 1991 (percentage points)
Overall index of industrial economic efficiency (In terms of state standard value)	70.3	7.8
Profit-tax rate of industrial funds	6.5	0.6
Profit rate of industrial cost	3.3	2.0
Net output value rate of industry	28.1	0.1
Marketing rate of industrial products	95.2	0
Industrial productivity (per-capita/yuan)	7,342	22.2(percent)

Turnover of circulating funds

(time)	1.2	0.02 (times)
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Industrial enterprises made greater strides in deepening their reform. After notable results were achieved in the experiment of large and medium-sized state-owned enterprises in independent management and transformation of mechanisms, pilot enterprises conducting the experiment increased to 59 in 1992. Overall plans were formulated and phased in for the organizational restructuring of industrial enterprises, and great progress was achieved. Throughout

the province, 161 fairly large enterprise groups and 62 enterprise associations were organized, 153 enterprises were merged by 112 enterprises, four enterprises were leased to four enterprises, 21 enterprises were sold, 17 enterprises declared bankruptcy, and 70 shareholding enterprises were approved.

Major problems in industrial production were: the large amount of funds tied up in manufactured goods and the low level of the overall economic efficiency.

Construction developed rapidly. The increased value of the building industry during the year was 2.98 billion yuan, up 24.5 percent over the previous year. State-owned construction enterprises undertook construction of 9.746 million square meters of houses, up 30 percent over the previous year, and completed 4.606 million square meters, up 25.8 percent. The number of money-losing enterprises and their deficit volume declined, and their economic efficiency improved noticeably. The per-capita labor productivity of state-owned construction enterprises reached 19,029 yuan, up 34.8 percent over the previous year.

New progress was made in geological surveys and prospecting. During the year, in geological prospecting, we completed 85,000 meters of core drilling by machines, up 6.3 percent over the previous year. We discovered 10 ore deposits, and the reserves of two of them were verified.

3. The Investment in Fixed Assets

The investment in fixed assets greatly increased, playing an important role in accelerating the development of the whole province's economy. The total investment in fixed assets made by the entire society during the year reached 15.12 billion yuan, up 32.7 percent over the previous year. Of this, the local investment in fixed assets reached 10.76 billion yuan, up 29.3 percent. Of the total investment, the investment of state-owned units reached 11.71 billion yuan, up 36.8 percent over the previous year; that of collective units reached 870 million yuan, up 47.5 percent; and that of individual units reached 2.54 billion yuan, up 13.4 percent. In the investment of state-owned units, the investment in capital construction reached 5.90 billion yuan, up 45.7 percent over the previous year; the investment in equipment replacement and technical updating reached 3.33 billion yuan, up 31.2 percent; the investment in building commercial houses reached 1.35 billion yuan, up 75.3 percent; and the investment in other projects reached 1.12 billion yuan, down 6.7 percent. The substantial increase in investment resulted mainly from the large number of new projects and the expansion of the scope in some projects under construction. During last year, the state-owned units started 1,600 capital construction projects and equipment replacement and technical updating projects, an increase of 114 projects over the previous year; and the total number of their construction projects reached 2,923, an increase of 694. New projects accounted for 54.7 percent of the total number of construction projects.

The investment structure was readjusted. Of the investment in equipment replacement and technical updating of

state-owned units, the proportion used in increasing product variety, raising product quality, saving energy, and expanding production by upgrading technology and improving management rose from 56.6 percent in the previous year to 61.6 percent, and the proportion used in increasing output and expanding production by launching new projects declined from 43.3 percent to 38.4 percent. Judging from the investment in various industries, the investment in the tertiary industry rose and that in the primary and secondary industries declined. In the total investment of state-owned units, the proportion used in the tertiary industry rose from 29.4 percent to 32.0 percent, and, of this proportion, the investment in communications, transportation, posts, and telecommunications increased by 44.2 percent; the proportion used in the primary industry declined from 2 percent to 1.5 percent; and the proportion used in the secondary industry declined from 68.5 percent to 66.4 percent, and, of this, the investment in energy and raw materials industry increased by 24 percent over the previous year.

The construction of key projects continued to strengthen. The construction of the major technological transformation projects, which directly affected the reserve strength of the whole province's economic development, and 10 major projects defined during the Eighth Five-Year Plan period were started one after another. During the year, we invested 2.31 billion yuan in the 19 large and medium-sized capital construction projects that were covered by the state plan, which was 95.5 percent of the annual plan. Four of these projects—the second-phase Baishan Hydroelectric Power Station, the Xinyuan corn comprehensive processing plant, Changshan Thermal Power Plant, and the Gongzhuling corn processing plant of the Huanglong Company—were completed and commissioned; and two single-item projects—the Xinmin oil field prospected and developed by Jilin Oil Field and the Jilin power transmission and transforming project—were all commissioned. During the year, we invested 610 million yuan in 15 equipment replacement and technical updating projects whose investment exceeded the stipulated standards, which was 82.1 percent of the annual plan. Of these projects, three projects—the color television high-power tube project of the Jilin semiconductor plant, the acrylic acid installation of the Jilin Chemical Industrial Company, and the offset lithographic newsprint project of Shiyuan paper mill—were completed and commissioned.

The state-owned units across the province completed 1,449 projects for capital construction, equipment renewal, and technological transformation to increase fixed assets by 5.4 billion yuan, and 58.5 percent of the newly added fixed assets were made available to the users. The newly added production capacity included 70,000 tons of petroleum extracting, 385,000 kw of power generation, 68.5 km of 220,000-volt power transmission lines, 15,000 square meters of timber production, 20,000 tons of machine-made paper and paperboard production, and 50,000 high-power color-television transistors.

The major problems in investments were as follows: The investment structure was not reasonable, and the investment in basic industries and infrastructural facilities, including energy resources, increased slowly.

4. Transportation, Posts, and Telecommunications

The communications, transportation, postal, and telecommunications business steadily increased, and their increased value reached 3.06 billion yuan, an increase of 14.8 percent over the previous year. The communications and transportation enterprises positively tapped the potential for transportation, reasonably arranged production, and ensured the fulfillment of the tasks for transportation of main materials, such as grain.

The volume of transportation by various means was as follows:

	1992	Percentage increase over 1991
Volume of freight transport	46.78 billion tons/km	3.9
Railway	40.6 billion tons/km	4.7
Highway	6.09 billion tons/km	-1.0
Waterway	900 million tons/km	-24.9
Volume of passenger transport	17.22 billion persons/km	11.0
Railway	11.72 billion persons/km	10.3
Highway	5.49 billion persons/km	12.6
Waterway	10 million persons/km	2.9

Civil aviation developed rapidly. Six air routes newly opened in 1992. By the end of the year, we had 25 domestic and international air routes. The volume of passenger transport reached 246,000, an increase of 16 percent over the previous year.

Post and telecommunication developed vigorously. The annual transactions reached 700 million yuan, an increase of 36.4 percent. The transactions of express mail delivery, paging service, and mobile telephone service increased by more than 52 percent. Long-distance and local telephone service developed rapidly. By the end of 1992, the telephone installed capacity reached 563,000 lines, an increase of 21.1 percent over the figure at the end of 1991. Forty-five cities and counties of the province entered the long-distance automatic telecommunications service network, an increase of 25 percent. The program-controlled telephone exchange capacity increased by nearly 86,000 lines to reach 300,000 lines. The province's total capacity of local telephone switchboards reached 496,000 lines, an increase of 24.3 percent.

The main problem in the development of transportation, post, and telecommunications service was as follows: The development of transportation and postal and telecommunications service, as a vanguard industry in the national

economy, was stagnant. The communications and transportation service became the "bottleneck" in the development of the economy.

5. Domestic Commerce and Market Prices

The province's consumption market was stable and brisk. Along with the rapid development of the economy, the effective supply and the people's income increased. The implementation of the measures for deepening reforms, including commercial enterprises' "four decontrols," has added vitality to the development of commercial enterprises, and their marketing volume has returned to the normal growth level. The total volume of retail sales of commodities reached 29.82 billion yuan, an increase of 16.8 percent. If price factors are deducted, the real increase was 9 percent. Of this, the volume of retail sales of consumer goods reached 26.15 billion yuan, an increase of 16.9 percent. The volume of retail sales of consumer goods in the urban areas reached 22 billion yuan, an increase of 19.5 percent; and that in the rural areas reached 7.82 billion yuan, an increase of 9.8 percent.

The commodity retail sales of the units of various ownerships registered an increase across the board. The retail sales of state units came to 12.35 billion yuan, up 16.2 percent from the previous year; those of collective units 7.19 billion yuan, up 1.3 percent; those of the units of other ownerships 10.28 billion yuan, up 31.6 percent; and those of the commodities sold by peasants to nonagricultural people came to 3.02 billion yuan, up 15.9 percent. In the marketing of various consumer goods, food sales showed steady growth. Compared with 1991, the sales of edible vegetable oil, fresh eggs, and wines grew by more than 5.9 percent. In clothing and daily necessities, the sales of detergents, color television sets, video recorders, electric fans, and refrigerators increased, and those of other commodities declined.

The economic efficiency of commercial departments improved a little. In 1992, the units under the provincial commercial department reduced their deficits by 32.85 million yuan as compared with 1991; the deficits of loss-making enterprises declined by 24.9 percent; and the number of loss-making enterprises declined by eight.

The business of the markets for the means of production was brisk. In the year, material departments throughout the province purchased 5.73 billion yuan worth of the means of production, up 34.8 percent from the previous year; and sold 6.33 billion yuan worth of the means of production, up 34.4 percent. The marketing volume of the major means of production, such as rolled steel and motor vehicles, rose by more than 20 percent over the previous year. Thanks to the increased market regulation, construction of the markets for means of production was expedited. By the end of the year, the number of trade centers reached 33, and their sales volume showed an increase of 30.4 percent over the previous year.

Price reform made substantial headway, and the general level of market prices remained stable with some increases. In 1992, the state and the province further accelerated price reform, raised the prices of the products of basic industries

and some service charges, and subjected more prices to market regulation, thus notably improving the mechanism for prices to take shape. More than 80 percent of all commodity retail prices were subject to market regulation, and about 80 percent of the prices of the means of production were subject to market regulation. Thanks to a fairly good balance between total supply and total demand, price rises did not go beyond our capacity to absorb them. However, prices rose by a rather large margin in urban areas, and people's cost of living prices increased rather much.

Price changes were as follows:

	Percentage increase over 1991	Percentage point increase over 1991
1) People's cost of living prices	8.0	1.2
urban areas	8.3	1.2
rural areas	3.9	-1.3
2) Retail prices	7.1	2.0
Consumer goods	7.2	2.1
Foods	8.2	3.5
Grain	28.9	23.3
Edible vegetable oil	17.3	-8.4
Clothes	2.4	-2.6
Daily necessities	3.0	0
Cultural, recreational goods	-2.5	0.7
Books, newspapers, magazines	4.8	4.3
Medicine, medical instrument	6.3	3.3
Building decoration materials	5.3	3.8
Fuels	27.5	-21.9
Means of agricultural production	4.5	-1.4
3) Service charges	12.2	-11.2
urban areas	12.6	-11.3
rural areas	11.7	10.7
4) Purchasing prices of energy resources, raw materials	27.1	14.8
5) Ex-factory prices of industrial products	11.4	4.6
6) Purchasing prices of farm, sideline products	-0.4	10.1

6. Economic Relations With Foreign Countries

In 1992, the province's scope and fields of opening up were notably broadened, its investment environment was further improved, the number of its cooperative partners notably increased, and its economic relations with foreign countries were unprecedentedly dynamic.

The volume of imports and exports increased on a large scale. According to the statistics compiled by the customs

office, the province's total volume of imports and exports reached \$2.01 billion, a 46.7 percent increase over 1991. Of this volume, exports reached \$1.15 billion, a 14.6 percent increase. The volume of exports was \$360 million higher than that of imports when the goods not paid for in foreign exchange are excluded.

The utilization of foreign capital developed in various forms and achieved overall development. In 1992, the province's agreed amount of foreign capital to be used reached \$520 million, and the amount actually used was \$220 million. The annual transactions of the contracts signed with foreign countries on processing and assembling products surpassed \$10 million for the first time. The number of three types of foreign-funded enterprises showed a large increase. By the end of 1992, it reached 860, of which 605 were newly approved in the year.

In 1992, the province made notable achievements in the contracts signed with foreign countries for construction projects and labor service cooperation and took a new step in internationalizing its business. In 1992, the province signed \$140 million worth of contracts on construction projects and labor cooperation abroad, a 27.3 percent increase over 1991. Contracts worth \$70 million were honored, an 84.2 percent increase over 1991. The number of people sent abroad for labor service continued to increase, reaching 13,000 in 1992, exceeding the 10,000 in 1991.

The technology imports and exports showed a stable increase, and the structure was improved. Twenty-eight contracts worth \$220 million for technology imports and exports were signed in 1992. The structure of imports was improved, with the spending on importing software accounting for 42.4 percent of the total. Eighteen contracts for technology exports were signed, and the transactions totaled \$13.82 million, a 1.3-fold increase over 1991.

The tourist business achieved steady development. The number of overseas tourists who came for sightseeing, visiting of relatives, and other purposes reached 84,000, a 34.9 percent increase over 1991. The annual foreign exchange income from tourism reached \$11.09 million, a 29.1 percent increase over 1991.

7. Science, Education, Culture, Public Health, and Physical Culture and Sports

The scientific and technological undertakings resulted in marked achievements. The province's scientific and technological front produced news and fruitful results continuously, thanks to the efforts to persistently take science and technology as the primary productive force, to bring into play the enthusiasm of the broad masses of scientific and technological personnel, and to accelerate the pace of scientific research. In 1992, the province achieved 651 scientific and technological results. Of these results, 17 won national awards; nine won national prizes for scientific and technological progress; six won national invention prizes; two won national spark prizes; and 154 won provincial prizes. The province submitted 1,539 patent applications to the State Patent Bureau in the year, which

showed an 18 percent increase over 1991. Patent rights were granted to 761 of them, a 39.4 percent increase over 1991. The deepening of the reform of scientific and technological systems promoted the close integration of science and technology with the economy. In 1992, 461 scientific and technological results were disseminated and applied, creating 730 million yuan of social benefits.

Funds for scientific and technological undertakings increased, and the contingent of scientific and technological personnel was expanded. Funds spent by the scientific and technological institutes, the higher educational institutions, and the large and medium-sized industrial enterprises throughout the province on scientific and technological undertakings reached 5.67 billion yuan, a 14.3 percent increase over 1991. Of these funds, those spent on research and development reached 350 million yuan, a 12.9 percent increase. The local state-owned units possessed 728,000 full-time technical personnel of various specialties, which showed an increase of 22,000 persons over 1991. There were 217 state-owned independent research development organs at and above the county level across the province; 171 scientific research organs run by institutions of higher learning, and 296 scientific research organs run by large and medium-sized industrial enterprises. Personnel engaged in scientific and technological work totaled 66,000, of whom 37,000 received the title of engineers or above. By the end of 1992, the province had two state-level high and new technology industrial development zones, started 75 new Spark Plan items, and trained 40,000 management and technical personnel.

The technology market began to witness a vigorous scene. During the year, the province signed 7,812 technical contracts worth 430 million yuan, showing an increase of 48.3 percent and 90.3 percent, respectively, over the previous year. There were 1,889 technology trading organs of various descriptions actively carrying out business in the technology market, up 43.2 percent over the previous year; and there were 34,000 personnel engaged in technology trading activities, an increase of 48.6 percent.

Educational work further developed. Along with the unceasing deepening of the reform of educational system, the development of ordinary higher education was accelerated, and many specialized personnel were trained for the whole province's economic construction. In 1992, the province enrolled a total of 1,409 postgraduates, an increase of 67 over the previous year. Among them, 161 were studying for doctoral degrees, and 1,248 were studying for masters degrees. By the end of the year, there were 4,086 postgraduates, an increase of 93 over the year-end figure of the previous year. Among them, 512 were graduate students studying for doctoral degrees, and 3,574 were graduate students studying for masters degrees. In the year, ordinary institutions of higher learning across the province enrolled 25,000 undergraduates and students in special courses, making the total number of students reach 76,000, all showing an increase of 3,000 students over the previous year.

Secondary vocational education steadily developed. In 1992, 188,000 students of senior middle school level were

studying in secondary specialized schools and vocational schools, an increase of 6,000 over the year-end figure of the previous year. They accounted for 51.9 percent of the total number of students studying in senior middle schools, an increase of 1.4 percentage points over the previous year.

The compulsory education was made more universal. By the end of 1992, there were 1.124 million junior middle school students studying in ordinary middle schools, an increase of 62,000 over the year-end figure of the previous year; and there were 2.6 million primary school students, a decline of 73,000 from the year-end figure of the previous year. The school entrance rate of school-age children reached 98.5 percent, and the rate of primary school graduates entering schools of a higher grade reached 91.3 percent, an increase of 1.3 percentage points over the previous year. There were 2,059 nursery schools across the province, and 475,000 children were studying there.

New results were achieved in adult education, and technical training of various descriptions was vigorously carried out. In 1992, institutions of higher learning for adults enrolled 19,000 undergraduates and students of special courses, an increase of 2,000 over the previous year. Secondary specialized schools for adults had 42,000 students at the end of the school term, an increase of 4,000 over the year-end figure of the previous year; technical training schools for adults had 1.927 million students, an increase of 786,000; and primary and middle schools for adults had 128,000 students.

Literary and art undertakings were further invigorated. In 1992, we successfully held the "1992 Changchun Film Festival of China" and the "Yanbian Folk Custom Festival" for the first time. Changchun Film Studio produced 24 feature films during the year, cooperated with other film studios to shoot two films, produced three cartoons, and dubbed 11 films. Film releasing units distributed 185 new (full length) films of various sorts during the year. The province shot 22 television plays with 300 series and 37 radio dramas with 97 series. At the second "Wenhua Award" appraisal activity sponsored by the Ministry of Culture, seven awards were given to three dramas and 11 literary and art workers of Jilin Province. At the outstanding drama (northern drama) performing activity entitled the "First Troupe Across the Land," the drama "Tiexue Nuzhen" performed by the Manchu Xincheng Drama Troupe of Fuyu city won the award for outstanding drama. The feature film "Xianghun Nu" jointly shot by Changchun Film Studio and Tianjin Film Studio won the "Golden Bear" award at the 43d Berlin International Film Festival. The feature film "Gaopeng Manzuo" won the first-grade award at the comedy film festival held by the State of Mongolia.

By the end of 1992, in the province there were 72 art performing groups, which staged 12,000 performances for audiences totalling 12.193 million persons. There were 62 theaters, 1,065 cultural and art centers (stations), 49 public libraries, 16 museums, 38 archives, 22 radio stations, 36 short- and medium-wave transmitting and relaying stations, 34 television stations, and 60 television transmitting

and relaying stations each with a capacity of more than 1,000 watts. The radio coverage rate reached 85 percent, and the television coverage rate reached 81 percent of the people. In the province there were 4,232 film projection units, which presented 356,000 film shows for audiences totalling 110 million persons. Forty-eight local papers, totaling 430 million copies, 55.28 million copies of magazines, and 150 million copies of books and pictures were published.

Headway was made in public health. Medical conditions were further improved. By the end of 1992, the province had 4,189 health organizations. There were 128,000 full-time health workers, an increase of 3,000 persons. Of them, 52,000 were doctors and 38,000 senior nurses and nurses. There were 95,000 hospital beds, an increase of 2.3 percent. The medical level and service quality were ceaselessly improved, thanks to the continuous clinical application of new technology and new equipment. In 1992, two of the province's medical research findings won the scientific and technological progress prizes issued by the Ministry of Public Health, and 20 won the provincial scientific and technological progress prizes.

Noticeable achievements were made in sports. In 1992, the athletes of Jilin Province won six gold medals, two silver medals, and four bronze medals at world sports meets; won two gold medals at Asian meets; and won 36 gold medals, 35 silver medals, and 45 bronze medals at national sports meets. Two athletes broke six world records on 12 occasions, and five athletes broke 10 national records on 10 occasions.

The mass sports activities were vigorously developed. Some 9.3 million people in the province regularly participated in the physical training courses, 97.2 percent of the province's schools carried out the "state physical exercise standards," 2,718,000 students attained the standards, and nine counties (cities) were commended as counties advanced in sports work.

8. Population and People's Living Standards

The population growth rate was put under control. According to a sample survey on population changes, in 1992, the province's birth rate reached 15.74 per 1000; the mortality rate reached 6.57 per 1000; and the population natural growth rate reached 9.17 per 1000, a drop of 1.08 permillage points. By the end of 1992, the population reached 25.317 million, an increase of 231,000.

The income of urban and rural people further increased. Wages of the province's staff and workers reached 12.11 billion yuan, an increase of 13.9 percent; and their per-capita cash income reached 2,292 yuan, an increase of 12.1 percent. If factors for inflation are deducted, the real increase was 3.5 percent. According to the sample survey, in 1992, the urban people's spendable income reached 1,470.84 yuan, an increase of 16.8 percent. If factors for inflation are deducted, the real income increased 7.9 percent. The per-capita net income of the peasants reached 807.41 yuan, an increase of 7.9 percent. If factors for inflation are deducted, the real increase is 5.7 percent.

The number of urban employees increased. In 1992, the province had 557 job recommendation centers at all levels, which helped place 132,000 job seekers. The unemployment rate at the end of the year was 1.5 percent, a decline of 0.3 percentage points from the previous year. By the end of 1992, there were 5.411 million staff and workers across the province, an increase of 76,000 over the year-end figure of the previous year. Of this total, workers employed on a contract basis by state-owned units numbered 500,000, an increase of 50,000. There were 374,000 individual workers in cities and towns at the end of the year, an increase of 78,000. The program of unified old-age insurance funds continued to expand. Some 2.228 million staff and workers of state-owned units across the province and 441,000 retired workers participated in this program.

The urban and rural savings deposits greatly increased to reach 31.54 billion yuan by the end of 1992, up 5.88 billion yuan, or 22.9 percent, from the 1991 year-end figure.

Urban and rural people's housing conditions improved. By the end of 1992, the urban areas across the province built 5.54 million square meters of new residential houses, and the rural areas built 6.06 million square meters. The average per-capita living space of the people in urban areas was 6 square meters, an increase of 0.3 square meters over the previous year; the average per-capita living space of the rural areas was 14.2 square meters, an increase of 0.3 square meters. The housing quality improved noticeably.

Insurance work developed rapidly. In 1992, the premium for property insurance of various kinds across the province reached 147.68 billion yuan, an increase of 54.1 percent over the previous year. Some 24,000 enterprises across the province participated in the enterprise property insurance programs, 2.47 million households participated in the family property insurance programs, and 5.05 million people participated in life insurance programs. In 1992, the insurance departments increased 56 insurance categories, and the insurance companies received 92,000 claims for property losses and paid an indemnity of 230 million yuan for settled cases. Another 220 million yuan was paid to 248,000 persons as reparations in life insurance programs.

Social welfare work continued to develop. In 1992, the province had 930 social welfare institutions of various types, with 42,000 beds and 32,000 clients. Some 558,000 people of various types in the urban and rural areas received relief funds from the state. About 83.1 percent of townships and towns across the province established rural social insurance networks with 7,654 community service facilities of various types.

New changes were seen in environmental protection work. At the end of 1992, the province had 205 environmental protection organs, of which 62 were environmental monitoring stations at all levels; two state-level nature reserve areas and nine provincial nature reserve areas; and 2,885 staff and workers. During the year, 159 environmental pollution control projects were completed within the fixed time, and they used a total investment of 42.658 million yuan. By the end of 1992, 140 smoke and dust control

zones covering 313.1 square km were established in 22 cities across the province; and seven areas covering 21.1 square km, where the noise pollution was under the specified level, were built in six cities.

Note: 1) The gross domestic product and the increased value of various industries quoted in the communique are at current prices for the year, and the growth rates are calculated at comparable prices.

2) Increased value refers to the newly created value, which mainly includes the remuneration for laborers, profits, taxes, and depreciation. It does not include the value of energy, resources, and raw materials consumed in the process.

3. The data of some indexes carried in this communique are bulletin or preliminary figures.

Liaoning Governor Stresses Economic Changes

SK0604024793 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 27 Mar 93

[Text] During an interview conducted by a reporter in Beijing Municipality, Governor Yue Qifeng, who is attending the First Session of the Eighth National People's Congress [NPC], said: In carrying out the second-phase pioneering project, Liaoning Province first should realize changes of viewpoints in eight fields.

Yue Qifeng said: Liaoning Province, the old industrial base of the country, has been built up by concentrating the forces of the country as a whole and through the efforts made by the people of several generations after the founding of the PRC. It has made tremendous contributions to the socialist construction of New China and fostered its own strong points. However, the province's long-standing single-planned economy, single structure of ownership, and single financial source have resulted in outdated equipment and outmoded products from large and medium-sized enterprises throughout Liaoning. Since 1989 the province's industrial growth rate, economic results, and financial incomes have declined on a large scale. This has formed the phenomenon of shrinking that has drawn the attention of the people throughout the country. In overcoming the economic shortcomings at present to carry out the second-phase pioneering project, Liaoning Province should first change its minds and realize changes in the following eight fields:

1. Efforts should be made to shift the usual practices in the economic operational mechanism, such as relying on a plan in production, relying on unified sales of products, relying on the overall distribution of raw materials, and relying on the appropriation of expenses, to the that of optimizing the main means of production by making full use of the market mechanism.

2. Efforts should be made to shift the high input and low yield road of economic development to the that of upgrading the technical content of products and increasing their additional value.

3. In the guiding ideology of economic work, efforts should be made to shift the opening of more new production

revenues and the increase of new projects to those of technical renovations and progress.

4. On the emphasis of economic development, efforts should be made to shift the practice of relying on the single financial source to that of fostering new growth points.

5. In the organization and structure of enterprises, efforts should be made to shift the styles of large in size and of embracing all kinds of production as well as of small in size and of embracing all kinds of production to that of socialized mass production with specialized technical coordination.

6. Efforts should be made to shift the single ownership to mixed ownership with multiple economic composition or to nonpublic ownership.

7. Efforts should be made to shift the practice of fixing the standards of enterprises in line with their size to that of fixing their standards in line with their economic results.

8. Efforts should be made to shift the government's direct management over enterprises to that of macro readjustment and control.

Yue Qifeng said: The outdated viewpoints of the people across the province are being gradually removed. In conducting the pioneering project, we should directly fulfill the key targets through various channels. By 2000 and through the second-phase pioneering project, Liaoning Province's gross national product [GNP] will be 250 billion yuan and the yearly average increase in this regard

will be 10 percent. Its national income will be 200 billion yuan and the yearly average increase will be 9.6 percent. Its per capita GNP will be 5,680 yuan. Its local financial income will be 21.5 billion yuan. The total output value of township industrial enterprises will account for 36 percent in the total of the province.

By being fully confident in the province's future, Governor Yue Qifeng said: Only by firmly seizing the opportunity, closely relying on the people across the province, and inheriting or developing the pioneering spirit of the old generation will we certainly be able to fulfill the more arduous, magnificent, and glorious second-phase pioneering project and to totally remove the shriveling phenomenon.

Liaoning Coal Mine Explosion Kills 22 on 2 Apr

SK0304063493 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 2 Apr 93

[Text] At 0234 on 2 April, a gas explosion took place at the (Xishan) pit of (Linsheng) mine of Shenyang Coal Mining Administration, which is located in Sujiatun District of Shenyang. Forty-five miners were entrenched underground. As of now, 22 miners have been rescued, 22 have been found dead, and one has been declared missing. After the accident, Cong Zhenglong, vice governor of the province, and leaders of pertinent departments of the province and Shenyang rushed to the scene one after the other. The rescue work and investigation of the cause are now underway.

Strait Foundation Head Leaves for Beijing Talks**Agenda Given**

OW0704102593 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 6 Apr 93

[From the "Hookup" program]

[Text] Chiu Chin-i, vice chairman and secretary general of the Straits Exchange Foundation [SEF], is scheduled to leave here today [7 April] for Peking via Hong Kong to hold consultations in preparation for the talks between Ku Chen-fu and Wang Daohan to be held in mid-April.

Before his departure, Chiu Chin-i said that during his stay, he will only engage in work within the limits authorized by the Mainland Affairs Council [MAC] and that he will not touch on political issues. Commenting on the hijacking of an aircraft which occurred yesterday, he said he believed the incident will not affect his trip and the scheduled talks between Koo and Wang.

Chiu Chin-i is expected to remain in Peking five days. It has been decided that he will meet with Wang Daohan, chairman of the Association for Relations across the Taiwan Straits [ARATS]. Both Wang Zhaoguo, director of the CPC United Front Work Department, and Wang Daohai noted on 5 April that they were not opposed to discussions of matters relating to a peace agreement between the two sides of the strait during the Ku-Wang talks. In the past, Chiu Chin-i had raised the idea of the two sides concluding a mutual nonaggression agreement when he worked at the Presidential House, but yesterday he said he had his personal views regarding this matter, noting that his current position made it inconvenient for him to express his views and that if the other side puts forward political issues, he can only listen respectfully.

Chiu Chin-i is expected to arrive in Beijing's Shoudu Airport at 1500; immediately upon his arrival, he will hold a simple news conference. ARATS Secretary General Zou Zhekai will personally greet him at the airport; this will be a very courteous reception. Besides two rounds of consultations in preparation for the Koo-Wang talks, other important items on the agenda include the 10 April initialing of an agreement on document verification and registered mail with Tang Shubei at the Tiaoyutai Guest House and a 11 April visit with Wang Daohan, one of the principals of the Ku-Wang talks. However, Chiu Chin-i is not expected to meet with other high-level Communist Chinese officials. After his return to Taiwan on the night of 11 April, he will immediately brief SEF Chairman Koo Chen-fu and MAC Chairman Huang Kun-hui.

Yesterday [6 April] afternoon, the SEF held a news conference regarding this trip. Coincidentally, a Chinese civil airliner was hijacked yesterday. Chiu Chin-i said that the incident would not be a topic of discussion during his current trip. He noted, however, that it would not affect the preparatory consultations and the Koo-Wang talks.

Compared to related visits in the past, Chiu Chin-i's current trip has attract greater attention from lawmakers and encountered stiffer resistance from the opposition party. Democratic Progressive Party Legislator Lu Hsiu-lien has decided to mobilize people for a protest send-off at the airport today.

Not Authorized To Discuss Hijacking

OW0704082093 Taipei CNA in English 0754 GMT 7 Apr 93

[Text] Taipei, April 7 (CNA)—Vice Chairman and Secretary-General Chiu Chin-i of the Straits Exchange Foundation (SEF) left for Peking via Hong Kong Wednesday morning to lay the groundwork for a high-level cross-strait meeting later this month. Chiu said prior to his departure that his main mission in Peking is to set the date and agenda for the planned meeting between SEF Chairman C.F. Koo and Wang Daohan, chairman of Peking's Association for Relations Across the Taiwan Straits (ARATS). Both the SEF and ARATS are civilian bodies authorized to handle non-official cross-strait exchanges. The heads of the two organizations are scheduled to meet in Singapore in late April to discuss ways to settle some administrative and technical problems arising from cross-strait exchanges.

Chiu said he will not touch on political issues during his five-day stay in Peking. "I'm not authorized to talk about political issues in Peking," added the former presidential aide.

As to the hijacking of a China Southern Airlines plane to Taipei yesterday, Chiu said the Mainland Affairs Council (MAC) did not authorize him to talk about the incident with mainland authorities. If ARATS officials raises the issue, Chiu said he will listen to their opinions and report them to the MAC after coming back to Taipei. Chiu noted that the hijacking highlights the need for the two sides of the Taiwan straits to work hand-in-hand to fight crime. It takes further discussion on how the two sides will cooperate to fight crime, he added.

Another major topic to be discussed during Chiu's visit is the establishment of a regular communication channel between the SEF and ARATS to resolve cross-strait disputes and problems.

Chiu is also expected to discuss with ARATS officials on how to accelerate the repatriation of illegal mainland immigrants in Taiwan and how to better protect the safety and interests of Taiwan businessmen doing business on the mainland.

During his stay in Peking, Chiu and his ARATS counterpart Tang Shubei will initial two agreements reached between the two sides late last month on document verification and compensation for lost registered mail. The two pacts will be formally signed during the planned Koo-Wang meeting.

A CNA report from Peking said ARATS chairman Wang Daohan will meet Chiu in Peking on April 11.

Chiu was accompanied by several other SEF staff members, including Deputy Secretary-General Shih Chi-ping, on his Peking trip.

Military Fighters Sent To Monitor Hijacking

OW0704055893 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 6 Apr 93

[From the "Hookup" program]

[Text] Our Air Force immediately dispatched planes to intercept and monitor the hijacked mainland civil airplane the moment the incident occurred yesterday [6 April] morning. The Ministry of National Defense said the Air Force dispatched six F-5E fighters to intercept, escort, and monitor the hijacked mainland civil airplane. A military spokesman of the National Defense Ministry pointed out: The civil airplane of the mainland's Nanfang [Southern] Airlines sent out emergency signals at 0918 [0118 GMT] on the morning of 6 April, which were immediately discovered and monitored by our Air Force's radar. Then four F-5E fighters of our Air Force from Taoyuan Airport and two similar types of fighters from Ma-kung Airport took off to intercept, escort, and monitor the hijacked plane, which landed safely at 0959 [0159 GMT] at the Chiang Kai-shek Airport.

Premier: Handle Hijack Case According to Law

OW0704103393 Taipei Voice of Free China in English 0200 GMT 7 Apr 93

[From the "News" program]

[Text] Two men hijacked a commercial aircraft of China's Southern [Nanfang] Airlines from Mainland China to Taiwan on the morning of 6 April surrendered to police 20 minutes after it safely landed at the Chiang Kai-shek International Airport in Taoyuan, northern Taiwan. According to police, Liu Baocai and Huang Shugang hijacked the Boeing 757 which was flying on route to Peking [Beijing] from the southern mainland city of Shenzhen near Canton [Guangzhou]. The plane with 187 passengers and 10 crew members on board landed at the Chiang Kai-shek Airport at 0959 [0159 GMT]. The hijackers had wanted and asked for negotiations with the ROC [Republic of China] authorities but soon decided to surrender.

Spokesman for the ROC Government Jason Hu [Hu Tzue-chiang] said in a press conference that the two Mainland Chinese young men had hijacked the plane in a bid to seek freedom. Hu cited Premier Lien Chan as instructing handling of the case in accordance with the international law and practices.

Hong Kong

Local XINHUA Official Criticizes Patten

HK0704032493 Hong Kong WEN WEI PO in Chinese
7 Apr 93 p 11

[Report: "Zhang Junsheng Accuses Britain of Undermining Talks, Stresses Whoever Starts the Trouble Should End It"]

[Text] Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, yesterday responded to Hong Kong Governor Chris Patten's remarks on the overreaction of the Chinese side toward his constitutional reform package, which is characterized by "three violations." Zhang reiterated that the package Chris Patten forwarded has violated the Sino-British Joint Declaration, the principle of converging with the Basic Law, and the agreements and understandings reached between China and Britain. It has undermined Sino-British cooperation. Zhang Junsheng said: How could the criticism of such a package be regarded as "overreaction"?

On the question of whether there is still hope of restarting talks, Zhang Junsheng said: "Sino-British consultations have been undermined by Mr. Chris Patten. Originally, after Chris Patten had been criticized by various circles in Hong Kong and by the Chinese side for six or seven months, the British prime minister personally proposed to resume consultations. But when both sides were about to reach a consensus on the resumption of consultations through diplomatic contacts, it was Mr. Chris Patten again who undermined the diplomatic contacts by gazetting his package. Therefore, whether Sino-British talks can be resumed depends on the attitude of the British side. Now the ball is in the British court. Talks have been undermined by them. Just as Premier Li Peng said at a news conference recently, "whoever starts the trouble should end it!"

Former XINHUA Official Interviewed on 'Row'

HK0704043293 Hong Kong PAHSING HSINWEN
CHOUKAN in Chinese No 1, 2-8 Apr 93 p 5

[By staff reporter: "In an Exclusive Interview With PAHSING HSINWEN CHOUKAN, Xu Jiatun Discusses Hong Kong Political Row"]

[Text] News from PAHSING HSINWEN CHOUKAN: There has been confrontation between China and Britain on the Hong Kong issue and the Chinese side's bill "to set up a second kitchen" has been adopted by the National People's Congress. PAHSING publisher Lu Keng (Thomas Luk) made a special flight from San Francisco to Los Angeles on 25 March to call on Mr. Xu Jiatun, former director of the Hong Kong Branch of the XINHUA NEWS AGENCY, in the capacity of personal friend.

Lu brought Xu books, green tea, and regards extended to the latter by his friends in Hong Kong. Naturally, the conversation touched on the on-going row in Hong Kong.

John Major Does Not Understand Deng Xiaoping

Smiling, Xu Jiatun said with ease: "British Prime Minister Major boasts that 'Britain is a crackerjack at politics.'" I suppose they will not neglect Deng Xiaoping's persistence in political principles. Iron Lady Mrs. Margaret Thatcher has long had experience of this issue. Deng Xiaoping initiated the concept of "one country, two systems." First of all, it will be implemented in Hong Kong. There will be no bargain on principles."

Xu went on to say: "Smooth transition is conducive to Hong Kong's stability and prosperity, to the Hong Kong people, to China, and to Britain as well. 'A through train' is crucial to this issue. It will be the most effective measure to converge Hong Kong's political system with the Basic Law. Some people misunderstand that the 'through train' seems to benefit China only. Just on the contrary, it guarantees that Britain will still have a certain influence in Hong Kong and obtain certain interests after 1997. The question is very clear. Those who are on board the 'through train' should originally be people in the government system under the leadership of the British people. This is in line with the Sino-British 'Joint Declaration,' the 'Basic Law,' and the spirit of documents exchanged between Chinese and British Foreign Ministers."

Lu Keng chipped in: "Miss Lu Kung-hui, one member of my Lu clan, firmly opposes 'the through train'."

Smiling, Xu Jiatun said: "She does not know what is behind it. For China and Britain to break the deadlock, they have to return to the 'through train'."

Efforts should be made to find a solution in accordance with the agreements both sides have reached. In its vain hopes of striving for a respected say on world affairs, above all, Britain should strictly keep its promises. It is desirable for Britain to become reconciled with China on the dispute over Hong Kong."

What are your views on "setting up a second kitchen?"

If a Second Kitchen Is Set Up, Britain Will Suffer Losses

Xu Jiatun said: "Let us keep aside the factor of tactics adopted in this struggle by the Beijing leaders to implement Deng Xiaoping's intentions. If Britain continues to adhere to its own way, setting up a second stove will be unavoidable. Leaders of political groups in Hong Kong, including Alan Lee, Martin Lee, and Li Chih-yueh, disagreed to the setting up of a second stove and said it was detrimental to Hong Kong. In fact, as I see it, so long as the concept of "one country, two systems" is upheld and the principle of "Hong Kong people ruling Hong Kong and of a high degree of autonomy" is really implemented, there is no harm in setting up a second stove. The party which is hurt in this issue is Britain rather than Hong Kong or China, because, once a second kitchen is set up, the Great British Empire will say goodbye to Hong Kong on the whole, and it will be impossible to create wealth for Britain

by relying on Hong Kong. Inferred according to a common logic, Chris Patten and Major should not have been so stupid. Ha, ha, ha, ha...."

Coming to this point, Xu Jiatun could not help laughing.

According to Xu Jiatun's judgment, if Deng Xiaoping upholds principles, it is still possible for the British side to come to compromise at the end.

Patten Plan 'Breaks International Law'

HK0704080293 Beijing CHINA DAILY in English
7 Apr 93 p 4

[Article by Cai Wenhui: "Patten's Design Breaks International Law, Trust"]

[Text] The bill on the arrangements for the 1994/95 election of the Hong Kong Legislative Council (LegCo) was published by Governor Chris Patten on March 12 in Hong Kong [HK].

In so doing, the governor again set obstacles to the resumption of talks between China and Britain. The latest move exacerbates a confrontation that has flared off and on since Patten unveiled his blueprint for major changes to HK's existing political structure. His constitutional reform package contains steps to expand the voting franchise and to increase the number of directly-elected LegCo members.

The issue is a legal as well as a highly political one. Hence, it can be considered in the light of international law.

Obviously, the Sino-British Joint Declaration is legally binding. It meets the requirements of international agreements as a treaty in accordance with international law and the Vienna Convention on the Law of Treaties. The Joint Declaration's registration under Article 102 of the UN Charter illustrates well its nature as a treaty.

More controversial is the legal validity of the understandings and agreements already reached between British Foreign Secretary Douglas Hurd and his Chinese counterpart, Qian Qichen. Are they treaties in the legal sense? Some people have held that they are too indefinite and general to create enforceable obligations and should not be presumed treaties. That is quite a modest claim to make. Lack of definitiveness and specificity, true as it may be, doesn't deprive them of legal substance altogether. After all, imprecision and generality are not unknown in treaties of unquestioned legal force.

Generally speaking, the agreements are binding when the parties intend them to be. In view of the circumstances, the language of the diplomatic papers and the level and authority of the governmental representatives involved, the intention to create a legal relationship can safely be inferred. Thus the legal nature of those documents was established firmly.

It suffices to mention here the advisory opinion of the Permanent Court of International Justice on the Legal Status of Eastern Greenland. The opinion found that the reply by the foreign minister acting within his province to any inquiry of his counterpart of another state, is binding

on his own state. "Pact sunt Servanda" Britain shall perform in good faith all the obligations undertaken by it.

Apparently, Patten's package does not comply with the electoral arrangements agreed to in the diplomatic papers and the Joint Declaration. It is also a manifest deviation from the Basic Law of the Hong Kong Special Administrative Region.

Unfortunately, Patten and the Hong Kong British authorities showed little evidence of intent to stop their disruptive ventures. They have been spreading rumours, going around lobbying for international support and trying to make the matter more complicated. That is no coincidence. Patten's deliberate acts of repeatedly trampling on Hong Kong's popular will, sabotaging Sino-British cooperation and disrupting the smooth transfer of power were supported and applauded by London.

Britain swallowed its word by failing to honour international commitments and continuing to breach the Joint Declaration. Governor Patten, sent by London, is the symbolic representative of the Queen to exercise control over Hong Kong. Britain cannot shun its responsibility for what Patten has done.

The bill was published by LegCo, but it failed to change its point. The duty falls on Britain to make it possible to give effect to international obligations. How can an international agreement struck between two sovereign states be subject to veto by the HK legislature. Britain must take all responsibility make reparations or to give satisfaction in adequate form to injured China.

In the past 100 years, British rule over Hong Kong has never been democratic. The governor and his officials have never submitted themselves and their policies to the judgment of the people. The crux of the matter is not whether Hong Kong shall have democracy but whether the prestige and one-sided self-interest of Britain shall prevail over the long-term stability and prosperity of Hong Kong.

The matter also highlights the true nature of Britain. Patten's proposal to rush to democracy has unnerved local residents. Share prices in the Hong Kong stock market saw a sharp decline, and business confidence was damaged. All that left Patten's and Britain's motives in reasonable doubt. It is time for Patten and London to correct their mistakes, make reparations, and remove the obstacles they have set. Sticking stubbornly to their original stand will leave no way out.

Ji Pengfei Addresses Research Society Meeting

HK0704043093 Hong Kong TA KUNG PAO in Chinese
5 Apr 93 p 2

[Special dispatch: "Ji Pengfei Addresses Fifth Annual Meeting of the National Hong Kong and Macao Economic Research Society"]

[Text] Beijing, 4 April—Ji Pengfei, National Hong Kong and Macao Economic Research Society honorary

chairman, delivered a speech at the research society's fifth annual meeting convened today. The text of Ji Pengfei's speech is as follows:

Guests and fellow deputies:

First of all, please allow me to extend my warm congratulations to the convocation of the fifth annual meeting of the National Hong Kong and Macao Economic Research Society and my warm welcome to all experts, scholars, and friends attending this annual meeting.

The convocation of this annual meeting is of extraordinary significance. First, this annual meeting is being held at a crucial moment as Hong Kong and Macao have entered the second half of their respective periods of transition toward Chinese sovereignty. Today also marks the third anniversary of the promulgation of the Hong Kong Special Administrative Region [SAR] Basic Law. The recently concluded First Session of the Eighth National People's Congress also ratified and officially promulgated "The Macao SAR Basic Law." The promulgation of these two Basic Laws signifies that Hong Kong and Macao have now entered the second half of their respective transitional periods. Therefore, all sorts of work pertaining to Hong Kong and Macao should now be gradually placed within an orbit converging with the basic laws. Only by so doing will it be possible to ensure a smooth transition for Hong Kong and Macao in 1997 and 1999 respectively and maintain social stability and economic prosperity and development in those two regions.

Last year, remarks made by Comrade Deng Xiaoping during his south China tour and convocation of the 14th CPC National Congress pushed China's reform and opening up onto a new stage and set out a long-term goal of gradually building a socialist market economy. Such an excellent situation provided a good opportunity and created a favorable environment for the economic development of Hong Kong and Macao. Regrettably, after assuming office late last year, Hong Kong Governor Chris Patten implemented a confrontational line toward China and has thus disrupted the fine situation of Hong Kong. After publishing his political reform package of "three violations" on 7 October 1992, Chris Patten again had his political reform package of "three violations" gazetted as a bill by the British Hong Kong Government on 12 March 1993, thereby shutting the door to Sino-British talks and rendering it impossible for the two sides to continue their talks. Premier Li Peng made clear the Chinese Government's solemn position in his Government Work Report. The convocation of this annual meeting at this particular moment is of great realistic significance. At the annual meeting, experts and scholars from all over the country will unfold discussions by focusing on such a theme as "how to maintain Hong Kong's economic prosperity and stability." I believe that with concerted efforts of all of you, this symposium will certainly be a great success. However, this annual meeting is only the start. In future, we will continue to conduct in-depth research work in this regard through various forms.

Second, this is the first annual meeting convened since the site of the National Hong Kong and Macao Economic Research Society was moved from Guangzhou to Beijing. Over the past nine years, the Guangdong comrades have done a lot of work. Under extremely difficult conditions they have carried out research on the Hong Kong and Macao economies and successfully united a large number of experts and scholars specializing in the Hong Kong and Macao economic research. The relocation of the research society to Beijing is aimed at dealing with new situations in Hong Kong and Macao during the second half of their respective transitional periods. The relocation is beneficial to securing guidance over the research work from the units in charge, mobilizing all forces to participate in and support the Hong Kong and Macao economic research, and more effectively integrating the Hong Kong and Macao economic research with the central work or tasks. Of course the research society should remain as a non-governmental academic institution in future.

Third, the research society has invited 54 well-known Hong Kong and Macao people, experts, and scholars as its honorary advisers and admitted more hinterland, Hong Kong, and Macao experts to the newly established research society council. By so doing, we have strengthened and raised the research society to a more extensive scope and a higher level, thereby securing a higher level for the Hong Kong and Macao research work. The current annual meeting is indeed a grand meeting unknown in history, for it is being attended by an unprecedentedly large number of elite specializing in the Hong Kong and Macao economic research from various regions, especially from Hong Kong and Macao. I hope that all the experts, scholars, and friends will be able to pool their wisdom and efforts, draw on collective wisdom and absorb all useful ideas, conduct in-depth research on political, economic, social, as well as some other issues of Hong Kong and Macao, and strive for more and quicker research achievements through organization and coordination of the research society. At the same time, I also hope that while making a success of the research work, all of you will actively publicize the general principle of "one country, two systems" as well as the Hong Kong and Macao Basic Laws and contribute to resuming sovereignty over Hong Kong and Macao, accomplishing the great cause of reunifying the motherland, and maintaining the long-term stability and prosperity of Hong Kong and Macao.

Finally, I wish the annual meeting complete success!

Thanks to all of you.

Official on GATT, Patten; Lu Ping on Airport

*HK0604142693 Hong Kong WEN WEI PO In Chinese
5 Apr 93 p 2*

[By reporter E Shan Shan (6759 3790 3790): "Tong Zhiguang Says Chris Patten Alone Cannot Decide China's Readmission to GATT"]

[Text] Tong Zhiguang, Chinese vice minister of foreign trade and economic cooperation, has pointed out that Chris Patten alone cannot decide on China's readmission

to GATT. When answering reporters' questions while attending the fifth annual meeting of National Hong Kong and Macao Research Society held today, he said: The world today is not to be dominated by one or two countries or by any individual. When asked by reporters whether the U.S. secretary of state's public expression of support for Chris Patten's political reform package the other day will affect the renewal of China's most-favored-nation [MFN] status, Tong Zhiguang stressed: In the world today, countries should carry out trade and economic cooperation with one another on the basis of equality. MFN status is by no means a favor bestowed by one country on another. The basic principle enshrined in MFN status is equal treatment among trading partners. In its contacts with the United States, China has repeatedly reiterated that neither side must discriminate against one another. MFN status is beneficial to both sides, as both sides would be hurt without it. Tong Zhiguang also stressed that this basic principle is applicable not only to Sino-U.S. trade but also to world trade as a whole.

As for Hong Kong Governor Chris Patten's warning that China should separate political issues from economic ones in handling the political reform question, as well as Chris Patten's hint that failure to separate political issues from economic ones would jeopardize China's MFN status renewal and China's readmission to GATT, Tong Zhiguang said: "Chris Patten alone cannot decide whether China's GATT status can be restored, for this is an issue between China and 105 signatories." Tong added: "As far as I know, the UK is a member of the EC. The EC is an integral body. The world today is not to be dominated by one or two countries or by any one individual."

In another development, when answering reporters' questions today, Lu Ping and Wang Qiren, State Council Hong Kong and Macao Affairs Office director and deputy director, said that some Hong Kong people have suggested that Shenzhen's Huangtian Airport should be used as a substitute and managed by the Hong Kong people if Hong Kong fails to build a new airport. Lu and Wang stated that they will listen to and study the various views put forth by the Hong Kong people. Wang Qiren stressed, however, that they still hope that Hong Kong's new airport will be built in accordance with the spirit of the Sino-British Memorandum of Understanding.

Swedish Premier: No Arms to China, Taiwan

*HK0604100993 Hong Kong AFP in English 0946 GMT
6 Apr 93*

[By Robert MacPherson]

[Text] Hong Kong, April 6 (AFP)—Swedish Prime Minister Carl Bildt, on his first visit to East Asia since taking office in 1991, ruled out Tuesday [6 April] any arms sales to China or Taiwan. Speaking to the Foreign Correspondents' Club (FCC), Bildt said his conservative coalition

government was sticking firmly to the no-sale policy initiated by its socialist predecessor.

"We have no tradition of selling weapons to China," said Bildt, who is on a week-long tour of Hong Kong, South Korea and Japan. "That includes all of what you might refer to as China, and there are no intentions to change that policy." Bildt spoke in response to a question on whether Sweden might try to sell submarines to Taiwan, a province of China whose Nationalist government disputes Beijing's claim to be the sole legitimate ruler of all China.

Though Bildt said he had no immediate plans to go to Beijing, Chinese Foreign Minister Qian Qichen is to visit Stockholm in May.

Sweden's recent arms sales in the Asia-Pacific region have included six Kockums Type 471 submarines to Australia, and patrol boats, naval guns and defense electronics to Singapore. It also sold field artillery to India in the mid-1980s in a controversial deal that provoked allegations that gunmaker Bofors paid huge kickbacks to Indian politicians connected with then-Prime Minister Rajiv Gandhi. Sweden was angered when light surface-to-air missiles it sold to Singapore in the 1970s were diverted to the volatile Gulf region.

Despite the ban on arms sales, Bildt said Sweden—which sent a large trade delegation to Beijing last week—was eager to sell other products to China, which is already a major buyer of Swedish telephone systems. "At a time of increasing unemployment in Sweden, we can now see that our efforts to develop trade with China will lead to substantial increases of employment in our country," he said.

At a press briefing after his speech, Bildt added that Sweden would not lavish soft loans on China to finance exports, arguing that was not the way for nations to compete in the world marketplace.

In his speech, Bildt also said he was disturbed by North Korea's threat to drop out of the Nuclear Non-Proliferation Treaty and to refuse international inspection of its secretive nuclear program. Though he personally doubted that Pyongyang already has a nuclear bomb, Bildt said: "If they have nothing to hide, the best way of proving it is to let the inspectors in." Sweden is one of the very few Western countries with an embassy in North Korea, where Bildt predicted that the collapse of President Kim Il-sung's Stalinist regime would be nothing less than "dramatic."

On Hong Kong's return to Chinese sovereignty, Bildt—a longtime friend of the British colony's Governor Chris Patten, who is in London this week—said Sweden backed steps towards greater democracy in the run-up to 1997. "History clearly shows that, in the long-term, there is no better guarantee for stability than democracy and the rule of law," he said.

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